

# VACC Submission: Recommended JobTrainer Fund Qualifications

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## About VACC

The Victorian Automobile Chamber of Commerce (VACC) is Victoria's peak automotive industry association, representing the interests of more than 5,500 members in over 20 retail automotive sectors that employ over 50,000 Victorians.

VACC members range from new and used vehicle dealers (passenger, truck, commercial, motorcycles, recreational and farm machinery), repairers (mechanical, electrical, body and repair specialists, i.e. radiators and engines), vehicle servicing (service stations, vehicle washing, rental, windscreens), parts and component wholesale/retail and distribution and aftermarket manufacture (i.e. specialist vehicle, parts or component modification and/or manufacture), and automotive dismantlers and recyclers.

VACC is also an active member of the Motor Trades Association of Australia (MTAA) and contributes significantly to the national policy debate through Australia's peak national automotive association.

## Contact

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## Background

The Victorian Automotive Chamber of Commerce (VACC) welcomes the opportunity to help inform the National Skills Commission (NSC) on qualifications and short courses for funding via the Federal Government's JobTrainer Program.

VACC views JobTrainer as a critical initiative in identifying and addressing industry skills needs by allowing better access to short and long courses for school leavers and job seekers, which in turn can create pathways to more qualifications.

For over 100 years, apprentice employment has been the primary means through which individuals have entered the automotive industry, and this remains the most preferred and trusted pathway through which the industry develops its future skills base, and through which new apprentices learn their trade. Employers in the automotive industry employ apprentices as a means of equipping their own businesses with appropriately skilled labour and, in turn, ensuring a broader industry skills pool is generated for the benefit of all employers to draw upon over time.

Regrettably, this skills pool has diminished considerably over time, with most automotive employers suffering severe skill shortages to the detriment of business owners and the industry. The JobTrainer Program has the potential to reinvigorate skills training across the automotive industry and supply both small and large businesses with the skilled labour they need to remain viable and meet the challenge of the mass transition to hybrid and electric vehicles over the coming years.

## Skills Shortages in Automotive

A distinguishing feature of Australia's labour market is that it is highly competitive and subject to a limited and diminishing pool of skilled labour available to industry. The automotive industry has endured long-term and endemic skill shortages, particularly over the last two decades, and this skills imbalance has had negative impacts on the sustainability of small and large businesses.

VACC research indicates that there is currently a shortage of over 31,000 skilled positions across the automotive industry. The impacts of these skills shortages include supply chain disruptions, loss of work, backlogs of work and other constraints and inefficiencies that restrict business investment, growth and their overall viability. Many small automotive businesses in particular have closed in recent years due to the lack of availability of skilled labour, with the problem only getting worse due to the COVID-19 crisis.

VACC has modelled the extent of skill shortages across the automotive industry by sector at a national level. The results of this modelling are displayed in Table 1.

**Table 1: AUTOMOTIVE INDUSTRY SKILL SHORTAGES – AUSTRALIA, 2019/20**

| ANZSIC Code | SECTOR                                 | OCCUPATION                                      | ESTIMATED SHORTAGE<br>(No. of positions) |
|-------------|----------------------------------------|-------------------------------------------------|------------------------------------------|
| 941         | Automotive repair and maintenance      | Light vehicle mechanic                          | 14,750                                   |
|             |                                        | Vehicle spray painter                           | 2,620                                    |
|             |                                        | Panel Beater                                    | 2,615                                    |
|             |                                        | Heavy vehicle mechanic                          | 2,279                                    |
|             |                                        | Automotive electrician                          | 1,790                                    |
|             |                                        | Vehicle detailer                                | 330                                      |
|             |                                        | Motorcycle mechanic                             | 270                                      |
|             |                                        | Mobile plant mechanic                           | 187                                      |
|             |                                        | Mechanic – farm machinery                       | 190                                      |
|             |                                        | Vehicle trimmer                                 | 140                                      |
|             |                                        | Engine re-conditioner                           | 110                                      |
|             |                                        | Automotive glazier                              | 100                                      |
| 391         | Motor vehicle retailing                | Motor vehicle salesperson                       | 2,495                                    |
| 392         | Motor vehicle parts and tyre retailing | Motor vehicle parts and accessories salesperson | 890                                      |
|             |                                        | Tyre fitter                                     | 810                                      |
|             |                                        | Spare parts interpreter                         | 709                                      |
| 4231, 9429  | Outdoor power equipment                | Small engine mechanic                           | 422                                      |
| 2311        | Bus, truck and trailer manufacturing   | Vehicle body builder                            | 75                                       |
| 4245, 9429  | Marine equipment retailing             | Marine mechanic                                 | 110                                      |
| 4241        | Bicycle retailing                      | Bicycle mechanic                                | 120                                      |
|             |                                        | <b>TOTAL SKILLS SHORTAGE</b>                    | <b>31,012</b>                            |

Source: VACC. Estimated modelled from VACC and ABS data.

There are many factors contributing to the high number of skill shortages experienced within the automotive industry. Some key factors include:

- The growing fleet of vehicles on-road in Australia. The national vehicle fleet stands at approximately 20 million vehicles on-road and has been growing at an annual compound rate of 2 per cent or almost 400,000 vehicles per annum over the past decade. By contrast, annual apprentice commencements in automotive trades have fallen over the decade, resulting in a shrinking ratio of skilled labour to service and maintain the expanding vehicle fleet
- A widening of the gap between available skilled labour and the needs of the automotive industry due to the sharp, COVID driven, reduction in international skilled labour being available to employers

- The transition to hybrid, electric and fuel cell/hydrogen vehicle technologies which has placed new and increased skills demands on automotive businesses.

## Recommended Actions

There is an imperative need to generate an increased pipeline skills cohort for the automotive industry, from schools to school leavers and into apprenticeships. It is also the case that automotive skills training has a broader reach and economic benefit than specifically that of the automotive industry. Many mechanics, automotive electricians and other automotive tradespeople are employed across industry sectors such as mining and construction, whose role is to ensure the effective functioning and repair of expensive capital equipment.

We are also currently witnessing a transition of Australia’s vehicle fleet from petrol and diesel vehicles to hybrid, electric and hydrogen/fuel cell vehicle technologies. This transition will place enormous strains on the skills capacity of the automotive workforce, with new requirements for diagnostic, coding and electrical skills being necessary to service and repair this new range of technically sophisticated vehicles over the coming years. This is where the creation of a new skills cohort starting from schools, will help meet these needs as such.

VACC therefore strongly advises that the NSC take appropriate action to remedy the skills crisis facing the automotive industry, through the inclusion of the following four qualifications for funding within the Federal Government’s JobTrainer Program:

| QUALIFICATION                                                                                                               | DURATION    | JOB ROLE                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AUR20716-</b> Certificate II in Automotive Vocational Preparation<br>Certificate II in Automotive Vocational Preparation | 12-16weeks  | Identifying and inspecting mechanical and electrical components and systems of light vehicles, heavy vehicles, outdoor power equipment, bicycles, marine craft and motorcycles. Covers the skills and knowledge required to perform minor maintenance and repair of an automotive vehicle body. |
| <b>AUR20516-</b> Certificate II in Automotive Servicing<br>Technology<br>Certificate II in Automotive Servicing Technology  | 12-16 weeks | Routine servicing as an Automotive Serviceperson on engines, braking, cooling, steering, suspension, driveline, final drive systems and batteries. Also, the inspection and service of transmissions, fuel and emission control systems.                                                        |

|                                                                                                                                    |             |                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AUR20916-</b> Certificate II in Automotive Body Repair Technology<br><b>Certificate II in Automotive Body Repair Technology</b> | 12-16 weeks | This qualification reflects the role of individuals who perform a range of tasks on vehicle bodies such as paint-less dent repair in the removal of hail damage and minor creases; vehicle detailing, vehicle trimming-installation, replacement of seats, upholstery and lining. |
| <b>AUR20416-</b> Certificate II in Automotive Electrical Technology<br><b>Certificate II in Automotive Electrical Technology</b>   | 12-16 weeks | Installation, assembly and servicing of electrical components and systems of motor vehicles.                                                                                                                                                                                      |

These qualifications contain relevant industry skills, have high employability outcomes and create pathways to higher qualifications across automotive and allied industries. VACC contends that the inclusion and funding of these qualifications through the JobTrainer Program is essential and will help generate an increased pool of available skills for both small and large businesses to draw upon in this difficult period.

VACC strongly advises that the NSC include the automotive qualifications listed for funding via the Federal Government’s JobTrainer Program.