

# Automotive Industry Report

September 2007

*“The key to success is not information, its people”.*



QUEENSLAND  
AUTOMOTIVE SKILLS ALLIANCE  
'FOCUSED ON THE FUTURE'

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## 1. EXECUTIVE SUMMARY

The combined effects of global supply and demand, the continual introduction of new technologies, government regulation, and an ageing workforce will influence business practices and skill demand in the automotive retail, service and repair sector for at least the next decade.

The world's vehicle population is forecast to double in the next 15 years to 1.2 billion vehicles with the Asia Pacific Region leading the way with a projected incremental volume growth of 46 percent.

Employment opportunities and related skills needs in the Automotive Retail, Services and Repair (RS&R) sector, over the next ten years will reflect a comparative growth to the new vehicles and equipment sales and registrations. Current indicators are that demand for trade and specialist skills training through apprenticeships and traineeships combined with flexibility in the training to meet industry needs will remain high. The projected growth, however, must be considered in the context of increased fuel costs, skills shortages and the long-term effects of drought conditions in certain regions of our State. The current situation is balanced and buoyed by the continued growth of the resource sector and extensive infrastructure development in Queensland's South East corner.

Road transport and heavy earthmoving, plant and construction equipment sales growth reflect this resource and logistic boom however this growth is negatively impacted by a continuing world-wide shortage of automotive tradespersons with specific skills in diagnostics.

Demand for existing workers' skills training is projected to increase with the rapid increase of new vehicle and equipment technologies in such areas as electronically controlled systems, engine management systems, and government regulation in alternate fuels and emissions control systems (refer to the Automotive Industry Skills Plan 2007-2010).

The continued growth of the marine industry reflected in recreational boating, fuelled by new marine craft sales and registrations as a flow on from "Baby Boomer" retirements will demand an extensive increase in skilled marine mechanics.

Bicycle industry indicators confirm that demand for skills training through school-based apprenticeships and traineeships have the potential to increase. Any increase in training demand is however dependent on positive industry promotion to the general community and bicycle retailers.

The major sectors of the automotive industry are impacted by many of the potential drivers of skills needs. In particular, consumer and customer service demands, market expansion, competitiveness and productivity demands, health and safety issues, technological advancement, globalisation, regulatory compliance and employee attraction issues continue to impact on the skills needs of the industry.

Consumer and customer service demands are a key driver of skills needs in all sectors. Motor vehicles, heavy commercial vehicles and equipment are a high value consumer and/or business product. Customer expectations are very high at all stages of the product life cycle from initial purchase through regular maintenance, and repair, if necessary. These expectations must be met by the organisations and employees providing the products and service. Market expansion is apparent in the continuing growth of the domestic vehicle market, together with the industry's excellent export performance. This growth is projected to continue, resulting in a continuing demand for skills, particularly in the retail, service and repair sector.

Competitiveness and productivity demands, together with globalisation have been and will continue to be continuing drivers of skills development. The industry is globally competitive, and workforce training has been directed towards an integrated approach to continuous improvement. There is a continuing demand for safety skills training which has steadily evolved into proactive approaches to safety in the workplace.

Technological advancement is continuing at an incremental pace in the major industry sectors. Change of exponential proportions is predicted for the future. In the manufacturing and RS&R sectors, technological improvements occur at a rapid pace in the industry's products, placing increasing demand on higher level problem diagnosis and repair, supplemented by routine maintenance skills.

The trend of regulatory, technical and other changes is expected to be sustained into the future, and consequently the ability to acknowledge current and pending regulatory changes is a critical part of skills development within the industry. Regulatory compliance is time consuming and requires that employees are skilled at interpreting the regulations to reduce the amount of time spent on these functions. This is particularly pertinent for emissions control.

Employee attraction and retention is a significant issue in the RS&R sector of the industry, and is exacerbated by a general shortage of skilled employees and tradespersons. Small businesses are dominant in this industry sector, and turnover is high, often due to "poaching" by other larger employers. While new entrants expect training to be provided by their employers, the high staff turnover rates mean small business are often reluctant to invest in training. Conversely, medium and large business is very proactive in implementing innovative attraction and retention strategies. This is primarily due to their capacity, which is often reflected in the employment of human resource managers and the adoption of effective people management strategies.

The retail, service and repair sectors of the automotive industry continue to rely upon the traditional apprenticeship pathway as the primary method of necessary skills development of its workforce. However, in an industry which is predominantly made up of small businesses, with a current apprentice cancellation rate and general staff turnover in excess of 40% the future skills requirements for this industry may need to be sourced, or at minimum complemented through other pathways. An alternative pathway which have been both suggested and supported by some sectors of the industry is similar in structure to that of an engineering tertiary study program. This pathway would combine:

- Full-time study institutionally based as a student (Certificate III & IV)
- Structured work placement
- Workplace assessment progressively and at the completion of studies
- Qualification endorsement by an industry organisation/s

The drivers of industries skills needs outlined above have generally been recognised by the industry for some time, and, in most cases appropriate responses have been incorporated into training requirements. Some of the major areas that require additional and urgent attention by the RS&R sector of the industry to address the skills shortages issue include:

1. Workforce structural issues where more emphasis is given to developing smaller numbers of skilled specialists who can concentrate on specialised analysis and diagnosis required with the rapid technological development in the industry's products. These specialists would be supplemented by other workforce levels performing more routine maintenance and repair work
2. The reduction of nominal terms for some apprenticeships

3. Recognising the issue of skills obsolescence due to the rapid technological changes occurring in the industry, hence embarking on a strategic up-skilling regime
4. In the RS&R sector, continuing to develop attraction and retention strategies to make the industry more attractive to younger people and other priority population groups
5. Continuing to develop active partnerships with providers to ensure that industry needs are better met, and also to ensure that providers remain up to date with the rapid technological change
6. Providing support for “VET in Schools” programs
7. Addressing the workforce ageing and gender imbalance issues apparent in the industry.

Specific initiatives for consideration by the Queensland Government and the training system in general are as follows:

1. Recognising that industry and training provider partnerships are critical to enable providers to keep abreast of technological developments and to increase their delivery capacity.
2. Equal financial contribution to a pilot “workplace mentoring program” in the Vehicle Body Repair and Small Business Mechanical Repair sectors
3. Contribution to the development of a small business “People Management” program as a key element of a proactive strategy aimed at improving the retention of skilled personnel within the automotive industry.
4. Increased provision of publicly funded post-trade training
5. Greater implementation of flexible training delivery modes
6. Increasing the priority given to national consistency and quality in the application and interpretation of the Automotive AUR Training Package
7. Providing clear information about career paths to enable informed employment and education choices.

### **Identified Training Demand x Qualification and Location**

| <b>Ranking</b> | <b>Automotive RS&amp;R Skills #</b>   | <b>Training Demand</b> | <b>Location</b>   |
|----------------|---|------------------------|---|
| High           | All Trade & Specialist Qualifications (mechanical, electrical, body – light and heavy vehicles, motorcycles and marine) | Certificate 2, 3       | Statewide (except SW for Marine)                        |
| High           | Advanced Trade & Specialist Qualifications & identified competencies (Mechanical & Diesel Fitting)                      | Certificate 3, 4       | Statewide   |
| High           | Parts Interpreting  | Certificate 3          | Statewide   |
| Medium         | Vehicle Sales   | Certificate 2, 3       | Brisbane North, Brisbane South & Gold Coast, South West |
| Medium         | Small Business Management / People Management   | Certificate 4, Diploma | Statewide   |

**Note:** # incorporating automotive aftermarket, marine, outdoor equipment and bicycle

## 2. MAJOR CHANGE DRIVERS IMPACTING ON INDUSTRY SKILLS DEMAND CURRENTLY

### Skills Gaps

A skills gap is a significant gap between an organization's skill needs and the current capabilities of its workforce. It is the point at which an organization can no longer grow and/or remain competitive in its industry because its employees do not have the right skills to help drive business results and support the organization's strategies and goals. The primary cause of skills gaps can be identified by three major factors:

#### 1. Jobs are changing

Changes in the nature of business are leading to changes in the skills required of employees. Global competition, technology, and other forces place a premium on speed, innovation, and the ability to adapt rapidly to change. Even if employees are equipped for today's jobs, they need to be ready to learn, re-learn, and in some cases, unlearn to respond to workplace modifications, and other realities.

Today's employees in the automotive industry also need a higher level of technical and professional skills than their counterparts in decades past. In 1950, 80 percent of all jobs in Australia were classified as unskilled. In a complete reversal, an even greater proportion of jobs – 85 percent – are classified as “skilled” today, meaning they require some further education beyond secondary schooling. The increased demand for higher-level skills in Australia and other developed countries is related to broader shifts in the economy, including declines in low-skill manufacturing, the growth of the service sector, and the advent of new technologies.

#### 2. Educational attainment is lagging the need for skills

At the same time that the Australia and other nations need more workers with higher-level skills, advances in education have been trailing off in recent years. While successive generations have required more schooling, educational attainment has plateaued among youth during the last several years.

#### 3. Workforce growth is slowing

Low growth in all segments of the workforce is fast becoming a fact of life in our State and nation and other developed countries. According to the Hudson Institute, the world's “advanced regions” – including the U.S., Western Europe, and other developed nations of the Pacific Rim – will see a smaller number of new workers entering the labour force in the current decade than were added in the 1990s.

Western Europe has experienced an absolute decline in workers from 2000 which is expected to continue until 2010. In Australia, the looming retirement of the “baby boomer” generation of workers has captured attention. Many organisations feel the departure of these workers will present potential “knowledge and skill vulnerabilities.”

Knowledge and skills identified as necessary for their current workforce by employers who completed the “Industry Skills Survey 2007” are listed below in priority order.

- Occupational Health & Safety
- Electronically Controlled Systems
- Vehicle Safety Systems
- Engine Management Systems
- Emissions Control
- GPS Navigation Systems

## **Skilling Demand**

The demand for skilled labour within the automotive industry is created through a number of incidences. One of the most significant factors creating this demand is the exponential growth in the number of registered passenger motor vehicles, motor cycles, articulated trucks, and campervans from 2002 through to 2006. The average percentage change for this period has been 12 percent. The increased sales in construction and mining equipment in parallel with the resource sector boom and substantial infrastructure development is unrivalled. One major civil construction and mining equipment supplier has recorded a 59.5 percent growth in sales over the past 2 years. The projected service and repair schedule required for all of these vehicles and equipment will translate into an increased demand for skilled labour. Many employers have already recognised the impending crisis and are seeking to recruit skilled labour from overseas.

The other factor which is also contributing to a demand for skills development for existing workers is the advancement in the technology utilised in most modern vehicles and equipment. The innovation intensity of product development has resulted in the need for ongoing skills development of qualified tradespersons and the continuous review of apprentice training programs. This is to ensure the provision of information to increase knowledge and to aid in the development of necessary skills in areas such as engine management systems, emissions filters and controls, Canbus, and alternate fuels.

Employment growth in the automotive industry is forecast to continue at a rate exceeding the national average employment growth rate. The retail, service and repair sector will generate the highest employment growth, due mainly to steady growth in retail demand for motor vehicles, heavy commercial and heavy equipment. The vehicle services sub-sector will see an additional 32,000 jobs by 2012-13. Vehicle servicing has exhibited continuing skill shortages for several years. There is obvious potential for these shortages to be exacerbated, given the forecast growth rates. The table below includes the estimated employment levels for 2004-05 based on ABS surveys and the forecast for 2012-13.

### **Automotive Industry Employment Forecasts 2004-05 to 2012-13**

| <b>Location</b>              | <b>Employment Level 2004-05</b> | <b>Employment Level Forecast 2012-13</b> |
|------------------------------|---------------------------------|--|
| New South Wales              | 122,300                         | 134,000                                  |
| Victoria                     | 124,300                         | 137,400                                  |
| <b>Queensland</b>            | <b>87,970</b>                   | <b>107,480</b>                           |
| South Australia              | 41,530                          | 42,710                                   |
| Western Australia            | 43,660                          | 52,910                                   |
| Tasmania                     | 6,913                           | 7,687                                    |
| Northern Territory           | 3,306                           | 3,868                                    |
| Australian Capital Territory | 3,576                           | 4,098                                    |
| <b>Australia</b>             | <b>433,555</b>                  | <b>490,153</b>                           |

Source: Monash Centre of Policy Studies, September 2005

Clearly technology, but in particular, the specialised nature of fault diagnosis as it relates to individual bicycles, motorcycles, boats, all types of vehicles and equipment will continue to be a major change driver. In past decades, the accumulative value of an individual's general trade experience would have been sufficient to serve the industry broadly. Today however this general experience, generic knowledge and skills are ever reducing in value to most employers. There seems to be a tendency for individuals to pursue employment and training through one particular vehicle make thereby limiting their employment options for the future. The lack of availability of diagnostic information and programs to non-franchised dealers is also a limiting factor for tradespeople to gain a broader knowledge of a wide variety of vehicles and equipment.

This industry sector is a service industry, and is governed by an overall requirement to satisfy individual customer requirements. Productivity improvements can be achieved in areas where mass processing may be achieved. For example, a salesperson provides individual attention to a customer who wishes to purchase a new vehicle, but will be able to rely on automated administrative support to process the order, and accompanying documentation. Similarly, a considerable amount of vehicle servicing follows routine processes that have been refined and improved, however, rectification of any technical problems will generally require specialised individual diagnosis and repair.

The RS&R sector is, of course, extremely competitive. Competitiveness is driven by customers who shop around for the best deal on everything from a new car through to the cheapest price on even a low cost replacement part. Customers seeking quotes for a crash repair are typically driven by “the best of three quotes” approach. As a result, there is a real incentive for individual businesses to find productivity improvements wherever possible, but this is generally restrained by the overall need for individual attention to what may often be unique needs or problems.

The main issue is to be able to train people to recognise that productivity improvements may be possible while still meeting the overall requirement to satisfy individual customer needs. There is also growing evidence that the “lean” approach to productivity and quality improvement evident in the manufacturing sector is gradually being extended into the RS&R sector.

The rapid advances in product technology have a natural flow-on effect to all parts of the retail, service and repair sector. The impact is complex due to a unique factor of the automotive industry, that is, the lifespan of the products and the requirement to maintain these products throughout the lifespan. The average age of vehicles on Australian roads is over ten years, with approximately 4 million vehicles in the age category of 13 to 20 years old. A 25 year old vehicle with a carburettor fuel system has vastly different servicing requirements to a modern vehicle with a fuel injected engine governed by a computer controlled engine management system. Some new vehicles have composite bodies requiring highly specialised approaches to crash repair. In addition, specialised painting processes are also required for the majority of new vehicles.

### 3. CHANGE DRIVERS RELATING TO ATTRACTING AND RETAINING STAFF AND THE IMPACT OF THE AGEING WORKFORCE

There are a number of elements which must be considered when maintaining up-to-date product knowledge and this requires continuous new and refresher training. One issue for consideration is the willingness of staff to be pro-active in updating their skills both in terms of ongoing employment and in instances of re-entry to the workforce. Technical training requirements for tradespersons in the automotive industry are more than simply completing an apprenticeship. The extension of working life of our ageing workforce is an issue and serious consideration needs to be given to alternate models of employment such as job – sharing, flexibility of work hours, increased amount of allotted holidays etc. Demographics indicate that this industry will not have the required numbers of skilled tradespersons if there is not a significant increase in the number of apprentices in training and skilled migrants.

Nationwide shortages of tradespeople continue in the RS&R sector. In some regions, these shortages are severe. In 2006, the Victorian Automobile Chamber of Commerce published an extensive research report prepared by the Accenture consulting group entitled “Horizon 2015 – Changes and Challenges for the Australian Retail Automotive Industry.” On the subject of skills shortages in the RS&R sector, the report concludes:

*“Skills shortages have been, and are expected to continue to remain, a key issue for the automotive industry as a whole. The rapid change in technology, the additional skills required by the sector, and the relevance of skills in the existing workforce, continue to drive the current and future automotive skills shortage.....”*

*In Australia, apprenticeship training in the engineering trades (and all other major trades) declined in the early 1990’s from the record high levels of the late 1980’s. The decline has been, and continues to be driven by poor industry career perception, poor wages and conditions, and retention problems with experienced staff. Retention rates remain an issue with over 40 percent leaving the industry five years after joining....”*

*This ongoing skills shortage is compounded by an ageing workforce... and rapidly changing technology.”*

These shortages continue to be of considerable concern to industry participants who have taken part in a number of initiatives to address the problems. Major initiatives undertaken in recent years included the National Industry Skills Initiative (NISI) program, and the related Career Industry Information Partnership Program (CIIPP). The studies concluded that the skill shortages were real and expected to continue, as confirmed in the latest DEWR skills shortages list. A number of initiatives were summarised in the final NISI report. The report noted:

*“Over the past decade the industry has become acutely aware of decreasing levels of applications from new entrants to the industry and a significant ageing of its existing workforce. The retail motor industry has suffered the cyclic effects of skill and labour shortages particularly in the areas of skilled tradespeople and new apprentices seeking to enter the industry.”*

One issue of considerable concern raised in the report was the retention of skilled people in the industry. In this regard, the report notes:

*“Retention rates are also an issue requiring deeper analysis, with over 40% of the workforce leaving the industry five years after joining. The industry is acutely aware of the costs and training implications associated with low retention rates amongst mature workers in the industry.”*

A related subject not specifically covered in the NISI report is the suggestion supported by anecdotal evidence that a number of skilled people tend to leave the industry after about 20-25 years (particularly in the 40-45 age group).

Among the causal factors for these premature exits are the physical demands of the job, and concern among older employees that they are unable or unwilling to keep up with the rapid changes in technology evident in the industry. This industry survey also suggested that wages and working conditions were significant factors in the overall loss of people from the industry.

The industry is a strong supporter of competency based training, and recognises that proper implementation of this system will lead to shorter time frames for the completion of apprenticeships and traineeships than has been the practice under a purely time based system. This commitment and continued practice will have a positive and lasting affect in time.

Media representations of professionals along with community and parent expectations have focused on careers best achieved via a university qualification. This reflects the considerable effort and focus that has been placed on the 30% of students who exit year 12 and go onto university, rather than the 70% of students who do not (Department of Education, Science and Training, 2004). There has been an implied assumption that trades are “dirty”, “second best” and for “losers”. These misconceptions or ‘traditional’ views further compound the skill shortages in the trade areas. Recent media campaigns initiated by the Building and Construction Industry Training Fund have seen a significant change in the attitudes of students and parents towards a career in the building and construction industry.

The reality is that a trade qualification provides a valuable and rewarding career path. Many tradespeople go on to higher level technical training and small business development and ownership. People’s perception of the trades tends to reflect traditional images of the trades as blue-collar jobs rather than the contemporary reality, with increasingly high information technology, technical, language, and literacy and numeracy proficiency requirements are the norm.

The net result of all of the above is that Australia is facing critical skill shortages creating a structural imbalance between the demand and supply of tradespeople. The automotive industry across Queensland is no exception.

The shortage of skills in the automotive industry is attributable to sustained economic growth, the globalisation of the economy, an ageing workforce, a shift in labour market patterns and the poor perceptions that many career advisors, parents and students have of career opportunities in the industry.

Information provided to QASA via the “Industry Skills Survey 2007” validates a frustration by employers in recruiting suitable candidates for apprenticeship vacancies. This current situation will only escalate to a critical point, as identified future demand for apprentices as forecast in the Survey will increase on a par with the continued market growth in most sub-sectors of the industry. The importance of School to industry links, targeted marketing and education campaigns, prevocational and pre-employment programs are essential to minimising the current skills demand facing industry.

Due to the record low unemployment level in Queensland all industry sectors are competing with each other for the recruitment of new employees from the same limited pool of candidates. This is also expanded to the inter-sector poaching within the automotive industry (e.g. coal mining industry, targeting of light vehicle technicians by heavy commercial vehicle employers)

#### 4. INDUSTRY AND EMPLOYER RESPONSES TO THE IMPACT OF THE IDENTIFIED CHANGE DRIVERS

Industry reports that they do not believe that there is adequate recognition of the future impact of insufficient skilled tradespersons, both in terms of the labour supply and the capacity to undertake the more complex diagnosis and repairs on new and emerging vehicles and equipment. For example, just because there is a skills shortage it doesn't necessarily mean that a tradesperson will have a secure future. It will still be crucial that the individual continues to develop their skills and capability to undertake the task as both industry and the customer expects. Manufacturer provided training is increasing and employers are generally allocating increasing funding to the ongoing product knowledge development of their employees.

Many medium and large size employers have embarked on innovative strategies to combat the impact of the skills shortage on their business. This has been in the main facilitated through the employment of a Human Resource Manager. Changes in the workplace environment and employment contractual arrangements have seen a significant improvement in the attraction and retention of skilled tradespersons. Examples include:

- Active promotion by the Company of its culture, and commitment to an appropriate work life balance for it's employees
- Shift changes to enable more recreational hours for family
- Implementation of productivity bonus schemes
- The conduct of formal exit interviews to gather trend information to assist in making future workplace improvements
- Establishment and maintenance of a clean, safe and modern work environment
- Provision of quality tooling and equipment
- Employment of semi-skilled labour to undertake support tasks e.g. cleaning, generating greater efficiencies from the skilled tradespersons
- Development of individual career path plans, incorporating ongoing technical and personal development training
- Ongoing technical product training
- Employment of part and full-time technical trainers

It is acknowledged by industry especially in the Central and North Queensland Regions that one of the major contributing factors to the current skill shortage is the resource sector boom. The majority of small, medium and large size businesses will not be able to offer remuneration comparable to the mining sector, but they do have the ability to provide a greater range of flexible options relating to the workplace and the individuals' work life balance. This is proving to minimise the impact of poaching, however, it does not affect positively the overall workforce capability of skilled people in the automotive industry, except where a skilled tradesperson does not take up employment in a semi-skilled job e.g. truck driver.

There has been an increase in the number of employers considering the option of sponsoring skilled migrants. A number of medium and large employers have already taken up this option with marked success. This is especially valid in more regional and rural areas. It has been reported that a number of small businesses would genuinely consider this option, however they are hesitant due to the perception that the process is both arduous and complex. QASA has committed to assist industry specifically small business to navigate the immigration system as another avenue of recruiting skilled tradespersons. Employers who have successfully undertaken this option have attained the majority of their migrant tradespersons from the countries of South Africa, Zimbabwe, the United Kingdom and South America.

There is evidence to suggest that some employers are exploring more flexible and part-time options for older workers in an effort to retain their skills contribution and corporate knowledge within their business. In addition, the majority of these skilled tradespersons are the primary workplace trainer/mentors utilised to train the tradespersons of tomorrow.

There is also a positive trend amongst many employers to increase the number of apprentices in their employ. The removal of the regulated ratio restraints of the past has given some employers, especially those in rural and regional areas the imprimatur to recruit more apprentices. This opportunity however, must be closely monitored to ensure the quality of training and overall integrity of the apprenticeship model is not compromised. To this end education and training programs focused on the employer/supervisor and workplace trainer are essential. QASA intends to forge partnerships with a number of stakeholders to explore the development and implementation of such programs.

## **5. IMPLICATIONS OF THE INDUSTRY AND EMPLOYER RESPONSES FOR SKILLS DEMAND**

There is considerable focus on how best to attract new staff to the industry but there are significant opportunities and benefits to retaining existing staff. This same concept applies to any product or service in the marketplace. It is better to build a relationship with existing customers rather than the often costly exercise of attracting them. With the well documented high attrition rates in the automotive trades, employers need to better understand why tradespersons/apprentices choose to leave their employ (and often the industry) in search of other employment.

There is a strong link between demographic changes and employee attraction and retention issues. The challenge for the automotive industry is to replace those who are exiting the industry either through retirement, or, more commonly, departing early due to dissatisfaction with the industry.

Similarly, gender imbalance presents a great challenge to the industry. Addressing this issue will contribute to alleviating the attraction and retention problems. Some major training issues arise from the current demographic profiles. One reason that is frequently presented to explain premature departures from the industry is the difficulty employees have in maintaining skills currency due to the rapid technological development in the industry's products and methods. The industry has traditionally presented a male dominated image to the community, hence deterring many women from considering a career in the automotive trades or allied services. This will in part require industry to make significant changes to the workplace environment and culture, recruitment practices, and embrace innovative training methods and work processes that appeal to women.

## 6. IMMEDIATE AND POTENTIAL DEMAND AREAS FOR THE INDUSTRY AND THE NECESSARY ACTIONS REQUIRED BY INDUSTRY AND/OR GOVERNMENT INCLUDING THE LEVEL OF INDUSTRY CONTRIBUTIONS TO TRAINING

During the development of the “Automotive Industry Skills Plan 2007-2010” extensive engagement with employers was undertaken with regard to training demand areas. This was further validated through the receipt and analysis of extensive data captured through the “Industry Skills Survey 2007” that QASA conducted. The immediate and potential skills demand areas are consistently high across all of the mechanical trades in all sectors, as well as vehicle body repair and vehicle painting. The demand is shared equally across the State of Queensland however there is an emergent need for skilled tradespersons in Vehicle Body Repair and Paint in the Central and North Queensland Regions. In addition to the identification of the need to increase the number of tradespersons across the majority of the automotive sectors, a number of post trade competency areas have been identified as emergent. These are:

- Occupational Health & Safety
- Electronically Controlled Systems
- Vehicle Safety Systems
- Engine Management Systems
- Emissions Control
- GPS Navigation Systems

The analysis of apprentices currently in training compared to the capacity of employers to engage additional apprentices confirms potential for growth. However, this opportunity and willingness by employers, is hampered by the lack of quality candidates who have limited understanding of the industry or trade, and who are passionate about forging a long-term career. QASA has commenced and will continue to forge strategic partnerships with a range of Schools, organisations and individuals responsible for careers promotion and vocational guidance. In addition, preliminary discussions have commenced with Group Training Australia (Qld & NT) regarding a targeted campaign focussed on the automotive trades.

QASA has received continued submissions from employers requesting an increase in the delivery of pre-vocational training programs in automotive. There are also a number of medium and large size employers who are willing to engage in further discussions to partner with training organisations in this mode of training within their workplaces.

Table 1.1 outlines a number of initiatives requiring both industry and Government contributions which together will increase the capacity and capability of employers to train and meet their human capital requirements.

**Table 1.1 – Identified Immediate and Potential Demand for Training and Associated Initiatives**

| <b>Immediate and Potential Demand</b>   | <b>Industry Action / Contribution</b>   | <b>Government Action / Contribution</b>  |
|---|---|--|
| 1. People Management Knowledge and Skills for Small Business (under 20 employees) | Identification of participants and support for training during business hours or appropriately remunerated for after hours attendance. The leadership of this program, its promotion and facilitation will be undertaken by QASA. | Allocation of funding to support the development and delivery of a specific training program utilising a cluster of national competency standards. Contribution will also be sought from the Department of Tourism, Regional Development and Industry. |

| <b>Immediate and Potential Demand</b>  | <b>Industry Action / Contribution</b>   | <b>Government Action / Contribution</b>  |
|--|---|--|
| <p>2. Establishment of a network of workplace mentors (Smash Repair Industry and Small Business Mechanical Repairers in the Brisbane and Central/North Queensland Region)</p>  | <p>Identification of appropriate tradespersons who can undertake this role. Recognition of the individuals through increased remuneration, and access to professional development and training. Redesignation of work duties and reduced individual productivity expectations for identified mentors. Provision of specialised skills training by mentors. This concept may also be expanded to the employment of trainer/mentors that work across a cluster of employers within an industry sector. Planned discussions with a number of industry stakeholders may prove to be the source of required revenue to support the development and operation of this initiative. A significant number of small business employers have expressed an interest in contributing financially to such an initiative also.</p> | <p>Allocation of funding and expertise to develop a mentor training program. This would also include the allocation of publicly funded training. Dollar for dollar funding contribution from the Government may be sought during the pilot phase.</p>                              |
| <p>3. Alignment of manufacturer product training (non-accredited) with competencies within the AUR Training Package as an incentive to existing employees to pursue higher level training and qualification attainment.</p>                                | <p>Promotion of Recognition of Prior Learning and provision of financial incentives to employees who undertake the Assessment process, and who utilise these additional skills within their current workplace.</p>  | <p>Development of an industry specific program and funding allocation to encourage active participation by the various sectors of the automotive industry.</p>   |
| <p>4. Fostering a training culture</p>   | <ul style="list-style-type: none"> <li>• Employing additional apprentices</li> <li>• Participation in innovative training programs e.g. accelerated apprenticeships, partnership arrangements with Schools and the VET sector to provide Structured Workplace Learning and full-time student programs (work based pre-vocational program).</li> <li>• QASA to promote the value of training to business growth and sustainability through a specific communication strategy</li> </ul>  | <p>Commitment to engage with industry to undertake pilot initiatives with existing public funds diverted as required.</p>  |
| <p>5. Development of a template or instrument to assist employers to undertake a workforce planning activity, incorporating the development of a workplace training plan. (Identification of 10 employers throughout Queensland as a pilot initiative)</p> | <p>A commitment to undertake such a process with implementation and value monitored by QASA.</p>  | <p>Funding to develop or acquire such an instrument, and for the delivery of training and support for its implementation. Department of Tourism, Regional Development and Industry to be consulted for guidance and possible financial contribution through existing Programs.</p> |

## **7. OPPORTUNITIES FOR IMPROVED SKILLS DEVELOPMENT FOR PRIORITY POPULATION GROUPS**

It is a well documented fact confirmed through ABS data that priority population groups are greatly under represented in the automotive industry especially women who represent only 26.4% of the total workforce in the RS&R sector. This percentage figure is a direct result of an industry that continues to project a primarily traditional male dominated environment and image. There are some individual workplaces that have undertaken special initiatives from time to time to recruit female employees into what has traditionally been a male domain. Unfortunately, it is not all about effective recruitment campaigns, the general work environment and career path opportunities must prove to be supportive and realistic before any long lasting imprint can be made on this unbalanced representation.

There is no doubt that with the continued onset of technological change to vehicles and equipment that the day-to-day duties of most technicians have become less strenuous and physically demanding. There is also an increasing trend by service and repair centres to segment their work into different categories, including fault diagnosis, minor service and repair and heavy repair e.g. engine overhaul. These two changes alone can significantly contribute to the attraction of women into the industry. With the ongoing skills shortage crisis there is a real opportunity for industry to consider a targeted campaign on the employment of women into a variety of roles. This campaign will need to be supported by networking opportunities for women entering or already employed in the industry, and the promotion to women (School and community) of case studies of women which have achieved success in the industry.

It would be reasonable to assume that the first step in realising such opportunities would be to provide appropriate information and experiences to priority groups so that informed choices can be made about their career selection, as opposed to just obtaining a job and having to undertake any of the mandatory skills training. One of the most important factors in the long term retention of employees is that they possess a strong desire to join and remain in a particular industry.

## **8. POSSIBLE INTERNATIONAL VET OPPORTUNITIES**

Refer to the “Automotive Industry Skills Plan 2007 – 2010”

## **9. REFERENCES**

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