Skills & Training Needs 2013



Victorian Automotive Retail, Service and Repair Industry

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# Introduction

In the context of Victoria’s dynamic economy, a demand-led approach is the best way to ensure a responsive vocational training system that will help as many people as possible build skills that lead to better jobs. This is most evident in the results of the market approach embodied in the Victorian Training Guarantee, which has achieved positive outcomes for both students and the economy.

The Refocusing Vocational Training in Victoria reforms are designed to satisfy important criteria for a strong vocational training market. Through these reforms the Government is ensuring that the vocational training system continues to produce positive outcomes for students, businesses and Victoria.

Through Refocusing Vocational Training, there is a role for government in monitoring, providing information and responding to the performance of the vocational training system. A key mechanism by which the Government exercises this role is through the Industry Participation Model. The Industry Participation Model is based on a new partnership approach between government, industry and training providers. It increases industry influence within the training market by supporting more direct relationships between industry and training providers and by increasing direct consultation with government.

An aim of the Industry Participation Model is to seek to improve information sharing about training provision, options, outcomes, gaps and associated barriers between industry, training providers and employers to improve alignment between industry needs and training delivery. A suite of information products and tools are being developed, of which this report is one, to support this aim and an overview of these is provided overleaf.

This report describes training and economic activity and developments related to Victoria’s Automotive Retail, Service and Repair industry, bringing together a range of qualitative and quantitative insights from desk research and industry engagement. It highlights both the challenges the industry faces in attracting the right skills, and the opportunities businesses, training providers and government have to address these challenges. Key metrics used in this report include enrolments by sub-industry, qualification level, occupation, courses, age group, gender, learners facing barriers and provider type. The report also covers apprentices and trainees, and an analysis of the alignment between training delivery and specific industry skill needs. The report produces industry, sub-industry and region-specific findings and, wherever possible, presents comparisons to developments at the State level.

The purpose of this report is:

1. To provide a basis for understanding the Automotive Retail, Service and Repair industry in relation to the size and scale of the labour and training markets as well as the current policy, economic and social drivers that it is facing.
2. To give detailed information around vocational training delivery as it relates to the Automotive Retail, Service and Repair industry in order to gauge current alignment of the vocational training market to the needs of the sector and to provide an overview of the challenges and opportunities in meeting industry vocational skills needs both now and into the future.
3. To summarise the results of industry consultation and intelligence gathering activities undertaken in support of the Industry Participation Model, which involved engagement with more than 50 stakeholders in Victoria’s Automotive industry over the course of 2013 via one-on-one meetings, workshops and roundtables.
4. To facilitate ongoing discussion with the Automotive industry in relation to skills and training. To this end, industry stakeholders are invited to respond to the challenges and opportunities highlighted in this report, and to work with government and training providers to develop sustainable, industry-led solutions.

Introduction 1

|  |  |  |
| --- | --- | --- |
| Suite of Information Products & Tools | | |
| **Victorian Quarterly Training Market Reports**  On-going series of quarterly reports aimed at providing a summary of Victorian training market performance following the introduction of the student entitlement system. The report covers three sections – the first provides an overview of the performance of the Victorian training market, the second section examines the participation of learners facing barriers and the third examines the alignment of training to industry skills needs.  <http://www.education.vic.gov.au/>training/ providers/market/Pages/reports.aspx | **Vocational Training: Victoria’s Regional Report**  Annual publication examining training delivery in each of Victoria’s regions in the context of the local population, economy and workforce, building a picture of the relationship between the local training system and regional skills needs, training market performance and responsiveness.  <http://www.education.vic.gov.au/>training/ providers/market/Pages/regionaltrends.aspx | **Vocational Training: Victoria’s Industry Report**  Published annually, this report combines industry intelligence and economic analysis with training data to build a more complete picture of the relationship between industry skills needs, employment opportunities and skills training. Each of the 19 industry training profiles provides economic context and a summary of training challenges and highlights from IPM initiatives.  <http://www.education.vic.gov.au/>training/ employers/industry/Pages/marketinfo.aspx |
| **Industry Sub-sector summary reports & Industry Factsheets**  46 sub-sector industry summary reports produced annually highlight industry labour and training market dynamics with an overview of current and forecast employment needs and vocational training patterns across the sectors and at the regional level A series of factsheets are also available for 19 industries.  <http://www.education.vic.gov.au/>training/ employers/industry/Pages/marketinfo.aspx | **Business Toolkit and Case Studies**  Toolkit for employers providing information on how to get government- subsidised training under the Victorian Training Guarantee; getting the best training for your business, with a helpful checklist; information of Recognition of Prior Learning; and a range of interesting employer and training provider case studies.  <http://www.education.vic.gov.au/>training/ employers/workforce/Pages/marketfacilitation.aspx | **IPM Portfolio Industry Reports**  Released in line with IPM Portfolio cycles, these reports describe training and economic activity and developments related to key Victoria’s industry sectors. Highlighted are both the challenges the industry faces in attracting the right skills, and the opportunities businesses, training providers and government have to address these challenges. A range of key workforce and training metrics are also provided. There are two tiers of reports. One is detailed reports, representing the focus industries for the Department in 2013, and summary reports covering other industry sectors.  <http://www.education.vic.gov.au/>training/ employers/industry/Pages/marketinfo.aspx |
| **Industry Blog**  A forum for people interested in industry skills and training issues in Victoria, the blog features a range of topics relevant to stakeholders, information on recent industry events, groups and forums and new initiatives focused on enhancing market performance through facilitation activities.  <http://skillsblogvic.wordpress.com/> | **Industry Skills Update - e-Alerts**  Regular email update featuring the latest news about IPM activities; market facilitation and related government initiatives; reports; and training performance information.  To subscribe contact: Department of Education & Early Childhood  Development, [skills.online@edumail.vic.](mailto:skills.online@edumail.vic)gov.au | **Web Pages – Industry Training Market Information**  19 webpages with information about the skills and training market for industry sectors. For each industry, there’s a training snapshot, information about skills in demand, training market intelligence reports and factsheets along with more detailed reporting for each industry sub-sector. Information is updated regularly.  <http://www.education.vic.gov.au/>training/ employers/industry/Pages/marketinfo.aspx |
| **Rate Your Training**  New ratings tool for industry and employers is a simple-to-use system where employers can rate the performance of a training provider in a particular study area against selected criteria, and review and compare the ratings of other employers.  <http://rateyourtraining.com.au/> | **E-Marketplace (in development)**  Website which facilitates connections between employers and training providers. Employers can anonymously post their training requirements and training providers are able to provide structured response online. Employers are then able to review the response with no obligation, create a shortlist and follow up directly with their preferred providers. | **Victorian Skills Gateway**  One-stop-shop of Victorian vocational education and training to help find the best option for students. Searches can be performed on occupations, courses, training providers, video and written case studies. This website is also viewable via a purpose-built smartphone interface.  <http://www.education.vic.gov.au/> victorianskillsgateway/Pages/home.aspx |

# Industry and data scope

This section summarises the scope of the Automotive Retail, Service and Repair industry, as well as key data sources used in this report.

Automotive Retail, Service and Repair industry

Due to availability of data, this report draws on sources which use the Australian and New Zealand Standard Industrial Classification (ANZSIC) industry classifications**1** in the main, supplemented with alternative definitions where appropriate. However, we recognise that the ANZSIC industry classification system has weaknesses in relation to the Automotive Retail Service and Repair (RSR) industry, as no single ANZSIC industry aligns directly with this industry. Instead, Automotive RSR is split across a number of ANZSIC industry sectors:

* **Motor Vehicle and Motor Vehicle Parts Wholesaling (ANZSIC code 35):** wholesale of new and used motor vehicles, parts and accessories.
* **Motor Vehicle and Motor Vehicle Parts Retailing (ANZSIC code 39):** retail of new or used motor vehicles, parts or accessories.
* **Fuel Retailing (ANZSIC code 40):** retail of automotive fuels including petrol, diesel and LPG as well as service station operation.
* **Automotive Repair and Maintenance (ANZSIC code 941):** mechanical repair and maintenance service for automotive vehicles; installation and repair of automotive electrical products; automotive body, paint and interior repair.

The Automotive RSR industry also encompasses several sectors not listed above, including bicycle, marine and power equipment retailing and repair. These sectors will be represented in this report’s training data and commentary although not in the economic and workforce data due to the limitations with the ANZSIC classification system outlined above.

1 Australian Bureau of Statistics, Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006

Data

The data source for vocational training delivery presented in this report is the Department of Education and Early Childhood Development (DEECD), Skills Victoria Training System (SVTS). The scope of training data is government subsidised enrolments, accredited (state or national) qualifications only (excluding foundation training).

The report presents findings for the time period from 2008 to 2013. Data was extracted from SVTS as at April 2014 and subject to revision.

All enrolments referred to in the report are government subsidised only. Fee for service activity is currently only available for TAFE Institutes and not for private training organisations or Learn Local providers, and is therefore excluded from the scope of this report unless otherwise stated.

Training data shown in the tables are rounded to the nearest 100 when the figures are greater than 1,000; to the nearest 50 when they are between 100 and 1,000; and to the nearest 10 when they are less than 100. Any percentages are calculated based on the original, unrounded data.

All other data sources are referenced as appropriate within the report.

Industry and data scope 3

# Industry trends and issues

This section focuses on the industry trends and outlook

for the Automotive Retail, Service and Repair (RSR) industry and the contribution the industry makes to the overall Victorian economy.

Summary points

* The Automotive RSR industry contributed approximately $5.7 billion to the Victorian economy in 2012-13, around two per cent of total output. An estimated 71,100 people were employed in the industry across the State.
* The largest Automotive RSR sub-sector in terms of output was Automotive Repair and Maintenance, which accounted for 41 per cent of the total. Fuel Retailing was the smallest sub-sector, comprising 12 per cent of industry output in   
  2012-13.
* Seventy-three per cent of Automotive RSR output was attributed to the Melbourne metropolitan region. Barwon South West was the largest rural region in terms of Automotive RSR output, accounting for seven per cent.
* The industry comprised an estimated 14,300 businesses across Victoria at the end of June 2012. Of these, the vast majority (95 per cent) were sole traders or small businesses employing less than 20 people. The Automotive Repair and Maintenance sub-sector represents the largest proportion of businesses, 65 per cent of the total, over 9,000 businesses.
* Like many other industries, Automotive Retail, Service

Economic contribution

Victoria is the hub of Australia’s Automotive industry, home to a majority of the Manufacturing segment and accounting for approximately 30 per cent of industry employment (both Manufacturing and Retail, Service and Repair).

Recent decisions by Australia’s Automotive Manufacturing businesses to discontinue their domestic manufacturing operations will change the landscape of the industry going forwards. The Automotive RSR segment will remain a key contributor to the Victorian economy into the future, and the workforce development, skills and training needs of the RSR industry are therefore the focus of this report.

Victoria’s Automotive RSR industry contributed approximately

$5.7 billion to the State economy in 2012-13, around 2 per cent of total output. An estimated 71,100 people were employed in Victoria’s Automotive RSR sectors, approximately two per cent of total State employment.

The Automotive Repair and Maintenance sub-sector comprised the largest proportion of industry output, accounting for 41 per cent of the total. This was followed by Motor Vehicle, Parts and Tyre Retailing, which accounted for 28 per cent of industry output in 2012-13. Fuel Retailing was the smallest sector, making up 12 per cent of output in 2012-13.

Figure 2.1: Output by sub-sector, proportion of total, Victoria, 2012-13

Automotive repair

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | |
|  | | | |
|  | | | 28% |
|  | | | |
|  | | 19% | |
|  | | | |
|  | 12% | | |

and maintenance

and Repair experienced a difficult period during the global economic downturn, with demand for new cars falling away as consumers and businesses cut back on non-essential purchases. Not all sectors of the industry were equally affected by the downturn, however, with Automotive Repair and Maintenance benefiting in some respects from delays in purchasing new vehicles translating into increased demand for maintenance services.

* The industry is undergoing significant change, driven in part by technological advances in vehicles, altering the nature of the industry’s skill requirements, and by continuing industry consolidation.

Motor vehicle, parts and  
 tyre retailing

Motor vehicle and parts wholesaling

Fuel retailing

Source: Monash CoPS Employment Forecasts, June 2013

41%

Looking forward, output for the Automotive Retail, Service and Repair industry is expected to grow in line with the overall economy, with growth of 14 per cent projected over the five years to 2017-18.

Regional contribution

The Melbourne metropolitan region accounted for a majority of Automotive RSR output, 73 per cent of the total. This is slightly lower than Melbourne’s share of Victoria’s total output. Outside of Melbourne, Barwon South West was the largest Victorian region in terms of Automotive RSR output, accounting for seven per cent of the industry total.

Figure 2.2: Output by region, proportion of total, Victoria, 2012-13

Melbourne

7%

Barwon South West

6%

4%

Grampians

3%

5%

Loddon Mallee

4%

6%

Hume

5%

5%

Gippsland 4%

73%

77%

Automotive RSR All industries

Source: Monash CoPS Employment Forecasts, June 2013

In terms of the industry’s contribution to the regional economy, Automotive RSR made up 1.8 per cent of total output for Melbourne (2012-13 figures). This compares to 2.5 per cent in Hume and 2.2 per cent in the Grampians, Loddon Mallee and Gippsland regions.

Employer profile

An estimated 14,300 businesses were operating in Victoria’s Automotive Retail, Service and Repair industry as at June 2012, around three per cent of all businesses across the state. Of these, a majority (54 per cent) were small businesses employing less than 20 people. An additional 41 per cent were sole traders. Compared to the average across Victoria, Automotive RSR businesses were more likely to be small employing businesses and less likely to be sole traders.

Figure 2.3: Proportion of businesses by employment, Victoria, June 2012

Automotive RSR

|  |  |  |
| --- | --- | --- |
| 41% | 54% | 5% |

All industries

|  |  |  |
| --- | --- | --- |
| 61% | 35% 4 | % |

Non-employing 1 to 19 20 to 199 200+

Source: ABS, Count of Australian Businesses, including entries and exits, 2012

A majority of Automotive RSR businesses (65 per cent) were in the Automotive Repair and Maintenance sub-sector. Although employer size is consistently small across each industry sector, some variation can be seen. The Motor Vehicle Retailing had the highest proportion of medium and large employers (20+ employees) – 16 per cent of the total. This contrasts with Automotive Repair and Maintenance, where 98 per cent of businesses were either sole traders (non-employing businesses) or employ less than 20 people.

Table 2.1: Number of businesses by sub-sector and employment size, Victoria, June 2012

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Non employing | 1 to 19 | 20 to 199 | 200+ | Total |
| Motor vehicle and motor vehicle parts wholesaling | 695 | 771 | 110 | 11 | **1,587** |
| Motor vehicle retailing | 639 | 664 | 238 | 15 | **1,556** |
| Motor vehicle parts and tyre retailing | 293 | 594 | 45 | 7 | **939** |
| Fuel retailing | 316 | 531 | 68 | 5 | **920** |
| Automotive repair and maintenance | 4,005 | 5,118 | 214 | 6 | **9,343** |
| **Total** | **5,948** | **7,678** | **675** | **44** | **14,345** |

Source: ABS, Count of Australian Businesses, including entries and exits, 2012

In terms of turnover, Automotive RSR businesses were more likely than the all-industry average to have a mid-range or high annual turnover of above $200,000. They were considerably less likely to have a low annual turnover of less than $50,000.

Figure 2.4: Proportion of businesses by turnover, Victoria, June 2012

Automotive RSR

|  |  |  |  |
| --- | --- | --- | --- |
| 13% | 30% | 45% | 12% |

All industries

|  |  |  |  |
| --- | --- | --- | --- |
| 28% | 35% | 31% | 6% |

Zero to $50k $50k to $200k $200k to $2m $2m or more

Source: ABS, Count of Australian Businesses, including entries and exits, 2012

Industry trends and outlook

This section summarises trends and outlook for the Automotive Retail, Service and Repair industry.

The business environment in the Retail, Service and Repair segment has been mixed during the economic downturn, with car retailers and wholesalers negatively affected by reduced car sales while the service and repair sector saw continued demand as consumers delayed purchasing new vehicles and instead ran existing models for longer.

Car sales have since recovered and while consumer sentiment is expected to have a dampening effect on new vehicle sales, this is likely to be offset by population growth and by demand from consumers for more fuel-efficient vehicles.

Demand for repair and maintenance services is likely to be affected by increases in new car sales. This segment is also being affected by technological advances in automotive manufacturing which are changing the type of services required from repair and maintenance businesses. Industry stakeholders report difficulties in maintaining skills currency in an environment of rapid technological change, enhanced by issues in accessing the intellectual property (IP) needed to provide repair and maintenance services to new cars. Automotive IP belongs to the manufacturer and is often only made available to dealerships – meaning small businesses, or those not aligned to dealerships, are not always able to compete.

Business consolidation is happening across all segments of the industry, with larger players and franchise operators able to operate at margins which are not achievable for small businesses. The industry is also seeing more partnerships between insurance companies and repairers, making business difficult for those firms falling outside of these agreements. These trends are expected to continue into the future, and industry consultations have confirmed that these are pressing concerns for many Retail, Service and Repair businesses.

A number of key drivers will influence the performance of the Automotive RSR industry in the future.

|  |
| --- |
| **Industry drivers** |
| Consumer sentiment, business sentiment and disposable income   * The recent global economic downturn provided a clear example of the impact of economic performance on the ability and willingness of consumers and businesses to spend on large items such as cars, with any fall off in demand having a flow-on effect across the whole motor vehicle supply chain. Fuel retailing was also affected by the downturn, with demand for fuel subdued as consumers cut back on their spending. Future growth in fuel sales will be linked to Australia’s economic performance and associated consumer confidence. * The service and repair sector, on the other hand, has experienced some positive impact as people run their cars for a longer period – meaning their existing, older cars are more likely to need maintenance. |
| Environmental impact   * The Commonwealth Government is aiming to introduce mandatory emission standards for vehicles in Australia to be phased in through to 2018, likely to have a flow-through impact on skill needs in the industry. * Any impact on the industry following the introduction of carbon pricing in 2012 is likely to be short-lived, as the Commonwealth Government intends to repeal the carbon price with effect from one July 2014. If the carbon price is abolished, it may still take some time for changes to flow through. |
| Fluctuations in fuel price   * Variation in the price of fuel has an impact across Automotive segments, leading consumers to drive less and influencing the buying habits of businesses and consumers. The fuel retailing sector is particularly sensitive to fuel price variations as businesses tend to operate on thin margins. |
| New technologies   * The fast pace of technological change impacts all sectors of the Automotive industry. Advances in automotive manufacturing technology and systems can lead to reduced demand in the Automotive Repair and Maintenance sub-sector, for example, as improved safety features lead to less crashes. * Technological advances also lead to changes in the nature of skills required by the industry. The development of hybrid and alternative- fuel cars is just one example. These vehicles require new knowledge and skills, with demand for automotive electrical services expected to increase as a result of technological developments. * Workers within the industry have to continually refresh their skills to maintain currency, and familiarity with new models and technologies. |
| New Restructuring   * Business consolidation and rationalisation is a growing feature of the Automotive RSR industry. Auto Skills Australia identify a number of factors contributing to business rationalisation, including reductions in vehicle accident rates, the growing costs associated with repairing modern vehicles, insurance company quality requirements and a reduction in consumer spending2. |

Sources: IBISWorld, Fuel Retailing in Australia, June 2013; IBISWorld, Motor Vehicle Body, Paint and Interior Repair in Australia, February 2013; IBISWorld, Motor Vehicle Electrical Services in Australia, September 2013; IBISWorld, Motor Vehicle Engine and Parts Repair and Maintenance in Australia, September 2013

1. Auto Skills Australia, *Automotive Environmental Scan 2014*

# Industry workforce and skills

This section focuses on employment levels and the major occupations within the Automotive RSR industry, including a breakdown of employment by age, gender and qualification levels. It also includes information about which occupations are likely to be in demand in the future.

Summary points

* In 2012-13, the Automotive RSR industry employed approximately 71,100 people in Victoria, two per cent of the State’s workforce. Of this, the majority were employed in the Automotive Repair and Maintenance sub-sector (42 per cent).
* Industry employment has contracted by an estimated

4 per cent over the five years to 2012-13, with a majority of job losses coming from the Automotive Repair and Maintenance sub-sector. Other sectors, such as Motor Vehicle and Parts Wholesaling, have continued to show employment growth over this period.

* Metropolitan Melbourne accounted for around three quarters of employment in the Automotive RSR industry. In terms of regional Victoria, Barwon South West and Hume were the largest employers, each accounting for seven per cent of the industry’s workforce.
* The age profile of the Automotive RSR workforce was broadly in line with the average across all Victorian industries. This is consistent across all sub-sectors, with the exception of Fuel Retailing which has a younger than average workforce.
* Forty-four per cent of the Automotive RSR workforce had no post-school qualifications, slightly higher than the Victorian all-industry average of 40 per cent.
* The following skill shortage occupations have been identified by DEECD for Victoria: Automotive Electrician; Motor Mechanic (light vehicle, heavy vehicle and motorcycle mechanic); Panel beater and Spray Painter.
* Labour market challenges faced by the industry include higher skill requirements driven by rapid technological change, difficulties attracting and retaining employees, skilled labour shortages and ongoing business restructuring.

Employment

An estimated 71,100 people were employed in Victoria’s Automotive Retail, Service and Repair industry, two per cent of total state employment.

The Automotive Repair and Maintenance sub-sector accounted for the largest proportion of industry employment, 42 per cent of the total. This is followed by Motor Vehicle and Parts Retailing, making up 31 per cent of Automotive RSR employment.

Automotive RSR industry employment contracted by four per cent over the five years to 2012-13, with a majority of job losses coming from the Automotive Repair and Maintenance sub-sector (declining by approximately 3,000 jobs over the period, or nine per cent). This trend is not consistent across all Automotive RSR sub-sectors however. Motor Vehicle and Parts Wholesaling employment grew by seven per cent (700

jobs) over this period, while Motor Vehicle and Parts Retailing employment grew by two per cent (400 jobs).

Figure 3.1: Employment by sub-sector, proportion of total, Victoria, 2012-13

Certificate III-IV level qualifications were most common among Automotive RSR workers, held by 31 per cent of the workforce, reflecting the high proportion of trades employees in the industry.

* Taking into account both employment growth and replacement demand, it is estimated that the occupations requiring the largest number of new workers each year are Motor Mechanics, Motor Vehicle Salespersons and Panel beaters.

Automotive repair and maintenance

Motor vehicle, parts and tyre retailing

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | |
|  | | | |
|  | | | 31% |
|  | | | |
|  | | 14% | |
|  | | | |
|  | 13% | | |

Motor vehicle and parts wholesaling

Fuel retailing

Source: Monash CoPS Employment Forecasts, June 2013

42%

Labour market location

Approximately three quarters of Automotive RSR employment was within metropolitan Melbourne (72 per cent). Barwon South West and Hume were the next largest regional employers in this industry, each accounting for seven per cent of total employment.

Table 3.1: Employment by region, Victoria, 2012-13

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Melbourne | Barwon South West | Grampians | Loddon Mallee | Hume | Gippsland | Total |
| Motor vehicle and parts wholesaling | 8,300 | 500 | 300 | 400 | 500 | 300 | **10,300** |
| Motor vehicle and parts retailing | 15,800 | 1,600 | 800 | 1,200 | 1,500 | 1,100 | **21,900** |
| Fuel retailing | 6,200 | 700 | 400 | 500 | 600 | 500 | **8,900** |
| Auto repair and maintenance | 21,100 | 2,200 | 1,200 | 1,700 | 2,200 | 1,600 | **30,000** |
| **Total** | **51,400** | **4,900** | **2,700** | **3,800** | **4,700** | **3,400** | **71,100** |

Source: Monash CoPS Employment Forecasts, June 2013

While Automotive RSR employment comprised 2.5 per cent of employment across Victoria in 2012-13, this varied by region. Automotive RSR was of greatest importance to the Hume region, where it made up 3.0 per cent of total employment, followed by Gippsland and Loddon Mallee. In contrast, Automotive RSR comprised 2.4 per cent of employment in Melbourne and Barwon South West.

Figure 3.2: Proportion of total regional employment, Victoria, 2012-13

Victoria Gippsland

Hume Loddon Mallee Grampians

Barwon South West

Melbourne

2.5%

2.7%

2.7%

2.6%

2.4%

2.4%

3.0%

Source: Monash CoPS Employment Forecasts, June 2013

Labour market characteristics

Employment by age

The age profile of the Automotive RSR industry was similar to the average for all industries, with approximately 64 per cent aged under 45 years. The age profile was fairly consistent across all Automotive RSR sub-sectors, with the exception of Fuel Retailing, which had a slightly younger age profile (71 per cent of the workforce was aged under 45 years).

Figure 3.3: Proportion of employment by age, Victoria, 2012-13

Automotive RSR

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 19% | 21% | 25% | 20% | 16% |

All industries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 15% | 24% | 23% | 21% | 17% |

15-24 25-34 35-44 45-54 55+

Source: Monash CoPS Employment Forecasts, June 2013

The age profile of the Automotive RSR industry suggests that workforce ageing is not currently as significant an issue as it is for some other Victorian industries, although the position is expected to worsen in the years ahead.**3**

Employment by gender

A majority of Automotive RSR industry employees were male, approximately 71 per cent compared to 29 per cent female employees. This proportion of male employment is high compared with the average for all industries, but it aligns with other traditionally blue-collar industries.

The gender split varied by sub-sector – employment in Fuel Retailing, for example, was relatively evenly split between male and female, while Automotive Repair and Maintenance had 81 per cent male employment.

1. Auto Skills Australia, Environmental Scan 2014

Employment by qualification level

Automotive RSR workers were more likely than those in other industries to hold qualifications at Certificate III-IV level, reflecting the high proportion of trades workers in this industry. Thirty-one per cent of the total workforce held qualifications at Certificate III–IV level compared with 18 per cent across all industries.

Otherwise, the qualification profile of workers in the Automotive RSR industry was slightly below the all-industry average in Victoria – 44 per cent of workers had no post-school qualifications compared to 40 per cent across all industries, while 14 per cent of workers held higher education qualifications (compared with an average of 29 per cent across all Victorian industries).

The qualification profile varies by sub-sector. Forty-seven per cent of workers in the Automotive Repair and Maintenance sub-sector held Certificate III-IV level qualifications compared with just 13 per cent in Fuel Retailing. Fuel Retailing had the highest proportion of workers with no post-school qualifications, at 55 per cent of the workforce.

Figure 3.4: Proportion of employment by qualification level, Victoria, 2012-13

Automotive RSR

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 44% 3 | % | 31% | 8% | 14% |

All industries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 40% 3 | % | 18% | 11% | 29% |

No post-school quals Certificate I-II Certificate III-IV Diploma+ Higher education

Source: Monash CoPS Employment Forecasts, June 2013

Occupations

Unsurprisingly, Automotive RSR has a much higher proportion than average of Technicians and Trades Workers and Sales Workers. Professionals, on the other hand, were relatively under-represented in the industry.

Figure 3.5: Proportion of employment by occupation, Victoria, 2012-13

Managers

Professionals Technicians /

Trades Workers

Community / Personal 0% Service Workers

Clerical / Admin Workers

Sales Workers Machinery Ops

Labourers

4%

9%

10%

4%

6%

10%

10%

13%

13%

14%

14%

14%

20%

24%

34%

Automotive RSR All industries

Source: Monash CoPS Employment Forecasts, June 2013

Major employing occupations for the industry include Motor Mechanics; Motor Vehicle Salespersons; Panel beaters, Retail Managers and Car Detailers – these five occupations accounted for approximately 50 per cent of total industry employment.

Employment growth and replacement demand

Table 3.2 highlights the top ten Automotive RSR industry occupations by employment at the four-digit ANZSCO (Australian and New Zealand Standard Classification of Occupations) level. Note that while some occupations also align to other industries, the figures shown are specific to the Automotive RSR industry.

Forecasts presented in the table estimate the employment growth and replacement demand in terms of the average number of jobs required for each occupation annually up to 2017-18.

Replacement demand is the number of workers in a particular occupation required to maintain existing employment levels in that occupation i.e. to replace workers that retire or leave for any reason. Net new employment growth is the additional new jobs in a particular occupation that are added to the workforce over and above existing employment. Replacement demand in a particular occupation will always be there, and can sometimes be quite high, even if the occupation overall is not adding any new jobs, or may even be reducing in number.

Across all occupations in the Automotive RSR industry, projected average annual employment needs between 2012-13 and 2017-18 are for around 4,000 workers per year to satisfy employment growth and replacement demand.

Table 3.2: Occupations by estimated annual employment needs, Victoria, 2012-13 to 2017-18

|  |  |  |  |
| --- | --- | --- | --- |
| Occupation | 2012-13  employment total | Average annual employment needs | Overall employment growth to 2017-18 |
| Motor Mechanics | 15,400 | 950 |  |
| Motor Vehicle Salespersons | 8,000 | 450 |  |
| Panel beaters | 4,500 | 400 |  |
| Retail Managers | 4,000 | 150 |  |
| Car Detailers | 3,400 | 150 |  |
| Checkout Operators and Office Cashiers | 3,000 | 300 |  |
| Motor Vehicle Parts Fitters | 2,200 | 200 |  |
| Vehicle Painters | 1,700 | 200 |  |
| Accounting Clerks | 1,600 | 50 |  |
| Bookkeepers | 1,500 | 50 |  |
| General Clerks | 1,200 | 50 |  |
| Call or Contact Centre and Customer Service Managers | 1,200 | 50 |  |
| Storepersons | 1,200 | 50 |  |
| Service Station Attendants | 1,100 | 200 |  |
| Other | 19,800 | 700 |  |

Source: Monash CoPS Employment Forecasts, June 2013

Occupations expected to have the largest annual employment needs over the next five years are:**4**

* Motor Mechanics – an estimated 950 additional workers needed per year, mainly driven by replacement demand.
* Motor Vehicle Salespersons – an additional 450 workers required each year.
* Panel beaters – an extra 400 workers required each year, mainly driven by replacement demand.

1. This figure includes both net new employment growth to 2017-18 and replacement demand (e.g. retirements, exits from the industry).

Specialised and in shortage occupations

This section focuses on current skills shortages in specific occupations related to the Automotive RSR industry in Victoria as well as those occupations that are specialised.**5**

DEECD’s analysis of skill shortages considers both quantitative evidence and intelligence gathered through industry consultation.

Each of the occupations identified below has also been flagged by Auto Skills Australia as being a priority skill shortage occupation in Victoria.**6**

Research has found that the two main reasons given by businesses for skilled labour shortages are the attraction of labour towards other industries, not enough new people entering the industry, and the poor quality of candidates

applying for jobs.**7** Intelligence gathered during consultations suggest that some Automotive RSR workers who moved into the resources sector are now returning to the industry, a trend thought to be likely to gather pace.

Automotive Electrician (ANZSCO 321111 Automotive Electrician) has been identified as being in shortage in Victoria and is also a specialised occupation.

Intelligence gathered during consultations suggests that increasing numbers of students have undertaken conversion training from Mechanic to Automotive Electrician in response to the industry’s demand for electrical skills. This may relieve some of the pressure on this occupation into the future.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Automotive Electrician | Skills Shortage |  | Specialised Occupation |  |

Motor Mechanic (ANZSCO 3212 Motor Mechanics – including General, Diesel and Motorcycle Mechanics) is identified as a specialised occupation and as being in shortage in Victoria.

Evidence suggests that the attraction of Mechanics to other industries (such as Mining or Construction) has been a major

1. DEECD uses the Australian Workforce and Productivity Agency list of specialised occupations (<http://www.awpa.gov.au/our-work/labour-market-> information/specialised-occupations-list/). These occupations have a long lead-time for training, high economic value and a significant match between training and employment
2. Auto Skills Australia, Automotive Environmental Scan 2014
3. Auto Skills Australia, Automotive Environmental Scan 2014

driver of this shortage.**8** In addition, ongoing difficulties attracting mechanical apprentices was raised as an issue during consultations, along with apprenticeship retention. Some of these recruitment difficulties are associated with an employer perception that applicants are not work-ready.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Motor Mechanics | Skills Shortage |  | Specialised Occupation |  |

Panel beater (ANZSCO 324111 Panel beater) has been identified as being a skills shortage occupation in Victoria and is also a specialised occupation.

Research has found that insurance company repair rates, low wages, business closures, a lack of suitable entrants into the industry and attraction of labour to other industries have all contributed towards this shortage, which continues despite business closures in the Automotive Repair and Maintenance sub-sector.**9**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Panel beater | Skills Shortage |  | Specialised Occupation |  |

Spray Painter (ANZSCO 324311 Vehicle Painter) is a specialised occupation and is considered to be in shortage in Victoria.

One issue raised during consultations which may contribute to skills shortages was a lack of availability of training for this occupation in regional areas. As with Panel beaters, insurance company repair rates are identified as having a significant impact on this occupation.**10**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Spray Painter | Skills Shortage |  | Specialised Occupation |  |

Additionally, Auto Skills Australia have identified several skill shortage occupations in specific Automotive RSR sectors, including:**11**

* Salesperson (Motor Vehicle and Parts Wholesaling, Motor Vehicle Parts and Tyre Retailing)
* Spare Parts Interpreter (Motor Vehicle and Parts Wholesaling, Motor Vehicle Parts and Tyre Retailing)

1. Auto Skills Australia, Automotive Environmental Scan 2014
2. Auto Skills Australia, Automotive Environmental Scan 2013; Auto Skills Australia, Automotive Environmental Scan 2014
3. Auto Skills Australia, Automotive Environmental Scan 2013
4. Auto Skills Australia, Automotive Environmental Scan 2014

Skills gaps and emerging skills needs

|  |
| --- |
| Labour market challenges |
| New and emerging technologies   * As flagged earlier in this report, the rapid pace of technological development in the industry has a flow through effect on skill requirements. Hybrid and electric vehicles, in-car computers and electronic technology will require ongoing skills development to keep up with new technologies. This has the effect of increasing training costs for the industry as Automotive trades workers strive to maintain currency of their skills.**12** |
| Industry attraction and retention   * Research has highlighted that workforce retention and attraction of workers are two of the most significant labour issues facing the Automotive industry.**13** These issues were also raised frequently during industry consultations. * A career in the Automotive industry is thought to be less attractive to today’s young people, potentially leading to workforce ageing if new recruits cannot be attracted to the industry to replace retiring workers.**14** |
| Skilled labour shortages   * Labour shortages within the industry are having a significant effect on business operators. According to Auto Skills Australia’s 2012 survey, 68 per cent of operators report constraints in expansion and a need to work longer hours, 67 per cent highlight a backlog of work, while 63 per cent cite loss of profit as an effect of labour shortages.**15** * While the industry has continued to highlight the resources industry as a factor contributing to ongoing skills shortages in the industry, some stakeholders have reported early signs that this pressure is starting to alleviate – which may have a positive impact on some of the Automotive industry’s ongoing skills shortages looking forward. |
| Businesses in transition   * As highlighted above, the Automotive Retail, Service and Repair industry is undergoing ongoing restructuring as smaller operators leave the industry, changing the business profile of the industry. * Business and workforce planning, alongside investment in equipment and ongoing training, are likely to be central to successful businesses in this industry going forward . |

Several skills gaps, niche skills and emerging skills needs were flagged during industry consultations:

* Automotive Engine Reconditioning has been highlighted as a niche skill area which is not well supported by available training.
* The Bicycle industry has experienced difficulties recruiting Bicycle Mechanics with accredited training and experience. Additionally, the industry is facing challenges in delivering Bicycle industry Retail, Service and Repair training.
* Generic teamwork and communication skills are becoming more important and industry has reported difficulties in sourcing people with the right mix of base-level skills – often referred to as “job-ready” candidates.
* Industry stakeholders have flagged that basic language, literacy and numeracy (LLN) skills are a significant issue within the industry, with apprentices not always having the academic capability needed to succeed in an increasingly high-tech industry. Maths capability was consistently highlighted as a gap among automotive apprentices, along with IT skills.

Labour market challenges

The Automotive Retail, Service and Repair industry faces a number of challenges in relation to workforce planning and development.

1. IBISWorld, Automotive Electrical Services in Australia, September 2012
2. Auto Skills Australia, Automotive Environmental Scan 2014
3. Auto Skills Australia, Automotive Environmental Scan 2014

# Industry vocational training provision

This section focuses on government subsidised vocational training aligned to the Automotive Retail, Service and Repair industry in Victoria. It covers enrolments in vocational training over the period 2008 to 2013 by occupation and qualification level, courses undertaken, funding patterns, regional training activity and student characteristics.

Source of data for all tables, graphs and text in this section, unless otherwise specified is: DEECD, Skills Victoria Training System (SVTS) – government subsidised enrolments, accredited (state or national) qualifications only.

Summary points

Industry enrolments

* Government subsidised training delivery in the Automotive RSR industry increased by 15 per cent between 2012 and 2013, to 12,600 enrolments.
* Motor Mechanics were the most popular occupation for industry training in 2013, accounting for two-thirds of Automotive RSR enrolments. In terms of courses, the Certificate III in Automotive Mechanical Technology attracted the most enrolments, 52 per cent of the total (6,600 enrolments).
* The Automotive RSR industry has strong apprenticeship linkages, with approximately 47 per cent of industry enrolments by apprentices in 2013. Automotive apprentice enrolments fell slightly between 2012 and 2013 (by six per cent), following a large increase in enrolments (11 per cent) in 2012.
* A high proportion of industry enrolments were linked to specialised or in-shortage occupations, 70 per cent of the total in 2013. Enrolments aligned to these occupations have grown by 25 per cent between 2012 and 2013. These include courses aligned to the occupations Motor Mechanics and Automotive Electricians.
* A high proportion of Automotive RSR qualifications fall within Bands A and B for government subsidies. In 2013, 89 per cent of enrolments fell within Band A, attracting the highest rate of government subsidy.

Training provision

* Forty-six training providers delivered government subsidised Automotive RSR training in 2013.
* TAFE providers accounted for a majority of delivery in this industry, 69 per cent in 2013. Private providers made up 31 per cent of enrolments with Learn Local providers accounting for less than one per cent of the total.
* The largest region in terms of training delivery was Western Metropolitan (including the Melbourne LGA), which accounted for over a third of Automotive RSR enrolments in 2013. Outside Melbourne, Hume accounted for the highest proportion of enrolments, with 14 per cent of total delivery.

Automotive students

* Automotive RSR students were more likely to be young males (under 25) than the average across all-industry training in Victoria. They were also more likely to be employed, reflecting the strong apprenticeship links in this industry.
* Women accounted for just four per cent of training in this industry. While the most popular course for women, as for men, was the Certificate III in Automotive Mechanical Technology, women were more likely than men to enrol in automotive sales qualifications.

Training challenges and opportunities

* Challenges for Automotive RSR industry training include: attracting young people and new entrants into the industry, as well as retaining existing apprentices; appropriate targeting of information and careers advice to attract employees with a genuine interest in an Automotive career; maintaining currency of training materials and trainers in an environment of rapid technological change; ongoing investigation of quality concerns raised by the industry; providing training in niche and specialist skills.

Automotive industry qualifications

Most accredited qualifications of relevance to the Automotive RSR industry fall within the Automotive Retail, Service and

Repair Training Package (AUR12).

Selected qualifications from the Manufacturing training package (MSA07) are also of relevance, specifically courses relating to recreational vehicle service and repair. In addition, there are some accredited courses in Victoria with specific relevance to Automotive RSR.

Training activity

Enrolments

Government subsidised enrolments in nationally accredited and recognised Automotive RSR qualifications grew by 15 per

Qualification level

A majority of Automotive RSR enrolments were at Certificate III level, reflecting the strong apprenticeship links in this industry. In 2013, Certificate III-IV level enrolments accounted for 86 per cent of government subsidised enrolments, up from 81 per cent in 2012.

Despite this trend towards higher level qualifications, language, literacy and numeracy skills remain an issue, as highlighted earlier, with industry stakeholders expressing concerns that LLN skills among some apprentices are not what they need to be and that students do not always receive the support they need in this regard to successfully complete their studies.

Figure 4.1: Proportion of enrolments by qualification level, government subsidised, 2008 to 2013**16**

cent between 2012 and 2013, to around 12,600 enrolments. TAFE fee for service enrolments remained relatively flat, growing by four per cent to 2,800 enrolments. However, over the period 2008 to 2013 TAFE fee for service enrolments

grew by 59 per cent, with government subsidised enrolments growing by 37 per cent.

Note that the focus of the analysis in the remainder of this section is government subsidised delivery, unless otherwise stated.

Table 4.1: Enrolments by funding source, 2008 to 2013

2013

2012

2011

2010

2009

2008

0%

1%

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 14% | 86% | | | | |
|  | | | | | |
| 18% | | 81% | | | |
|  | | | | | |
| 26% | | | 73% | | |
|  | | | | | |
| 33% | | | | | 67% |
|  | | | | | |
| 29% | | | | 71% | |
|  | | | | | |
| 26% | | | 74% | | |

1%

1%

1%

0%

Certificate I-II Certificate III-IV Diploma & Above

Occupation

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Government subsidised | 9,200 | 9,000 | 9,800 | 9,500 | 11,000 | 12,600 |
| TAFE fee for service | 1,800 | 2,000 | 2,100 | 2,300 | 2,700 | 2,800 |

Motor Mechanic was the most popular occupation for those enrolling in Automotive RSR qualifications, accounting for around two-thirds of total enrolments in this industry.

Enrolments linked to Mechanic’s Assistant have been declining since 2010, in line with the shift to qualifications at Certificate III-IV level highlighted above (qualifications linked to Mechanic’s Assistant are at Certificate I-II level). Between 2010 and 2013 enrolments aligned to this occupation fell by 39 per cent to around 1,600.

Table 4.2: Enrolments by occupation, ranked by 2013 enrolments, government subsidised, 2008 to 2013

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Occupation | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Motor Mechanic (General) | 5,200 | 4,800 | 4,900 | 5,100 | 6,600 | 8,300 |
| Vehicle Body Builder (incl. Panel beater and Painter) | 1,200 | 1,200 | 1,200 | 1,300 | 1,500 | 1,700 |
| Mechanic's Assistant | 1,900 | 2,000 | 2,700 | 2,100 | 1,700 | 1,600 |
| Automotive Electrician | 200 | 200 | 250 | 250 | 300 | 350 |
| Motor Vehicle or Caravan Salesperson | 350 | 400 | 400 | 350 | 450 | 300 |
| Bicycle Mechanic | 40 | 100 | 150 | 150 | 150 | 100 |
| Small Engine Mechanic | 80 | 100 | 100 | 150 | 100 | 100 |
| Motor Vehicle Parts and Accessories Fitter (General) | 100 | 100 | 100 | 150 | 150 | 80 |

Courses

The qualification with the most enrolments in 2013 was the Certificate III in Automotive Mechanical Technology, which accounted for 52 per cent of government subsidised enrolments. The top ten courses accounted for approximately 92 per cent of industry enrolments in 2013.

Table 4.3: Enrolments by qualification, ranked by 2013 enrolments, government subsidised, 2008 to 2013**17**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Course | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Certificate III in Automotive Mechanical Technology | 3,200 | 3,600 | 4,200 | 4,300 | 5,400 | 6,600 |
| Certificate III in Automotive Vehicle Body | 700 | 1,000 | 1,200 | 1,200 | 1,400 | 1,600 |
| Certificate IV in Automotive Technology | 400 | 300 | 250 | 350 | 600 | 900 |
| Certificate II in Automotive Studies (Pre-vocational) | - | - | 800 | 950 | 750 | 700 |
| Certificate III in Automotive Specialist | 200 | 200 | 150 | 200 | 300 | 400 |
| Certificate II in Automotive Mechanical | 500 | 400 | 350 | 300 | 300 | 350 |
| Certificate II in Automotive Vehicle Servicing | 300 | 350 | 700 | 500 | 350 | 350 |
| Certificate III in Automotive Electrical Technology | 150 | 200 | 250 | 250 | 300 | 350 |
| Certificate III in Automotive Sales | 80 | 50 | 150 | 250 | 400 | 300 |
| Certificate I in Automotive | 150 | 100 | 150 | 300 | 350 | 100 |

Apprentices and trainees

A high proportion of government subsidised Automotive RSR enrolments were by apprentices and trainees, around 50 per cent in 2013. This proportion has fallen, however, from 62 per cent of industry training in 2012.

Apprentice enrolments fell slightly between 2012 and 2013, decreasing from around 6,300 to 6,000 (6 per cent). However, this followed a large increase in enrolments (11 per cent) in 2012. The course with the highest number of apprentice enrolments in 2013 was the Certificate III in Automotive Mechanical Technology, with around 3,900 enrolments.

Automotive traineeship enrolments have been declining since 2008 – and fell by 29 per cent between 2012 and 2013. This decline can largely be attributed to a fall in traineeship enrolments at the Certificate II level.

1. Excludes occupational groups with less than 50 enrolments in 2013

Table 4.4: Enrolments by apprentices and trainees, government subsidised, 2008 to 2013

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Apprentice | 5,600 | 5,400 | 5,700 | 5,700 | 6,300 | 6,000 |
| Trainee | 700 | 600 | 550 | 550 | 450 | 300 |
| **Total** | **6,300** | **6,000** | **6,200** | **6,300** | **6,800** | **6,300** |

Table 4.5: Top five apprenticeships ranked by 2013 enrolments, government subsidised

|  |  |  |
| --- | --- | --- |
| Course | 2013 | % Total |
| Certificate III in Automotive Mechanical Technology | 3,900 | 65% |
| Certificate III in Automotive Vehicle Body | 1,200 | 20% |
| Certificate III in Automotive Electrical Technology | 200 | 3% |
| Certificate III in Automotive Sales | 200 | 3% |
| Certificate III in Automotive Specialist | 150 | 3% |

Alignment to industry skills needs

Specialised and in shortage occupations**18**

A high proportion of Automotive RSR enrolments were linked to specialised or in shortage occupations, 70 per cent of the total in 2013. Enrolments in courses aligned to these occupations have increased by 25 per cent since 2012.

Table 4.6: Industry enrolments and average annual employment needs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Enrolments | | Average annual employment needs | Enrolments in line with industry needs? |
|  | 2012 | 2013 |
| Motor Mechanics | 6,700 | 8,400 | 950 |  |
| Automotive Electricians | 300 | 350 | 150 | ? |
| Panel beater | - | 10 | 400 | ? |
| Vehicle Painter | - | 10 | 200 | ? |

Source: Monash CoPS Employment Forecasts, June 2013; SVTS

Note: Motor Mechanic enrolments include courses aligned to Small Engine Mechanics.

1. Specialised occupations are as defined by the Australian Workforce Productivity Agency’s Specialised Occupation List 2013; shortage occupations are as defined by Higher Education and Skills Group’s list of Skills Shortages 2014.

By comparing enrolment levels with employment and replacement demand figures to 2017-18 (see section on Occupations, above), some broad conclusions can be drawn around whether enrolments in related training courses are in line with industry needs, which should be tested and further refined with industry stakeholders.

* Motor Mechanic: employment estimates suggest annual employment growth and replacement demand of around 950 Motor Mechanics. Current enrolments in qualifications aligned to this occupation comfortably surpass these annual requirements for additional employees in both

Subsidy bands

In terms of government subsidised delivery, a majority of Automotive RSR enrolments in 2013, 89 per cent, fell within Subsidy Band A and attracted the highest rate of government funding. This includes apprenticeship enrolments.

##### Figure 4.2: Enrolments by subsidy band, government subsidised, 2012–2013

2013 89% 9% 1%

2012 and 2013. However, with individual contract completion rates for automotive and engineering

2012

3%

Band A Band B Band C

|  |  |  |
| --- | --- | --- |
| 86% | 11% |  |

apprenticeships commencing in 2008 standing at

59.8 per cent,**19** and bearing in mind apprenticeship duration, enrolments appear to be just in alignment with employment needs and should be monitored.

* Automotive Electrician: employment growth and replacement demand forecasts for Automotive Electricians indicate annual employment needs of 150 additional employees. Given the term of apprenticeships and attrition rates for automotive and engineering apprenticeships averaging around 46 per cent,**20** enrolments will either need to significantly increase or attrition rates decline to be in alignment with current employment projections.
* Few enrolments were aligned to the shortage occupations Panel beater and Vehicle Painter as these skills have

until recently been embedded within the more generic Certificate III in Automotive Vehicle Body (not itself specifically aligned to a shortage occupation). Enrolments in this course stood at 1,600 in 2013 – although it should be noted that not all of these students will specialise in panel beating or vehicle painting. Projections of combined annual employment needs for these two occupations are estimated at 600 additional employees, suggesting that enrolments aligned to these occupations may need to rise when factoring in course length and average attrition rates.

1. NCVER, Completion and Attrition Rates for Apprentices and Trainees, 2012
2. NCVER, Completion and Attrition Rates for Apprentices and Trainees, 2012

Note that course subsidy bands were introduced from July 2012 onwards.

Training providers

A total of 46 training providers delivered government subsidised Automotive RSR training in 2013. Of these, 29 were private training providers, 15 were TAFE Institutes and two were Learn Local providers.

Provider numbers have remained relatively stable over time, with 40 training providers delivering government subsidised training in 2008. Some segments of the industry are faced with limited choices in terms of training providers, with industry flagging limitations in training aligned to engine reconditioning skills, for example.

Provider type

The majority of Automotive RSR training provision was with TAFE Institutes, who accounted for 69 per cent of enrolments in 2013. This proportion has declined in recent years, with TAFE Institutes accounting for 86 per cent of provision in 2008. Private provider training delivery has increased to 31 per cent of the government subsidised market in 2013, from 13 per cent in 2008.

Learn Local provision is low in this industry, accounting for less than one per cent of Automotive RSR enrolments.

##### Figure 4.3: Enrolments by provider type, government subsidised, 2008 to 2013

2013

2012 1%

2011 1%

31%

22%

14%

69%

77%

85%

2010 1% 10%

90%

2009

11%

89%

2008 1% 13%

86%

Learn Local Private TAFE

Regional training provision

In 2013, the largest region in terms of Automotive RSR training delivery was Western Metropolitan (which includes the Melbourne LGA), accounting for 36 per cent of total enrolments.

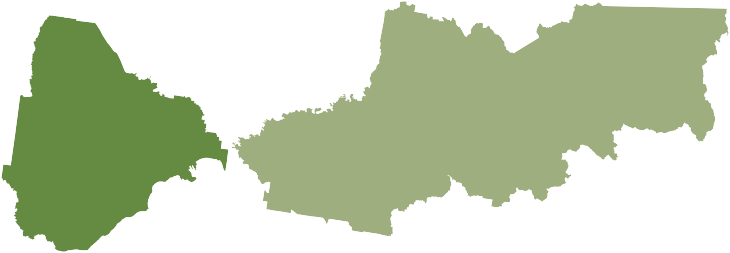
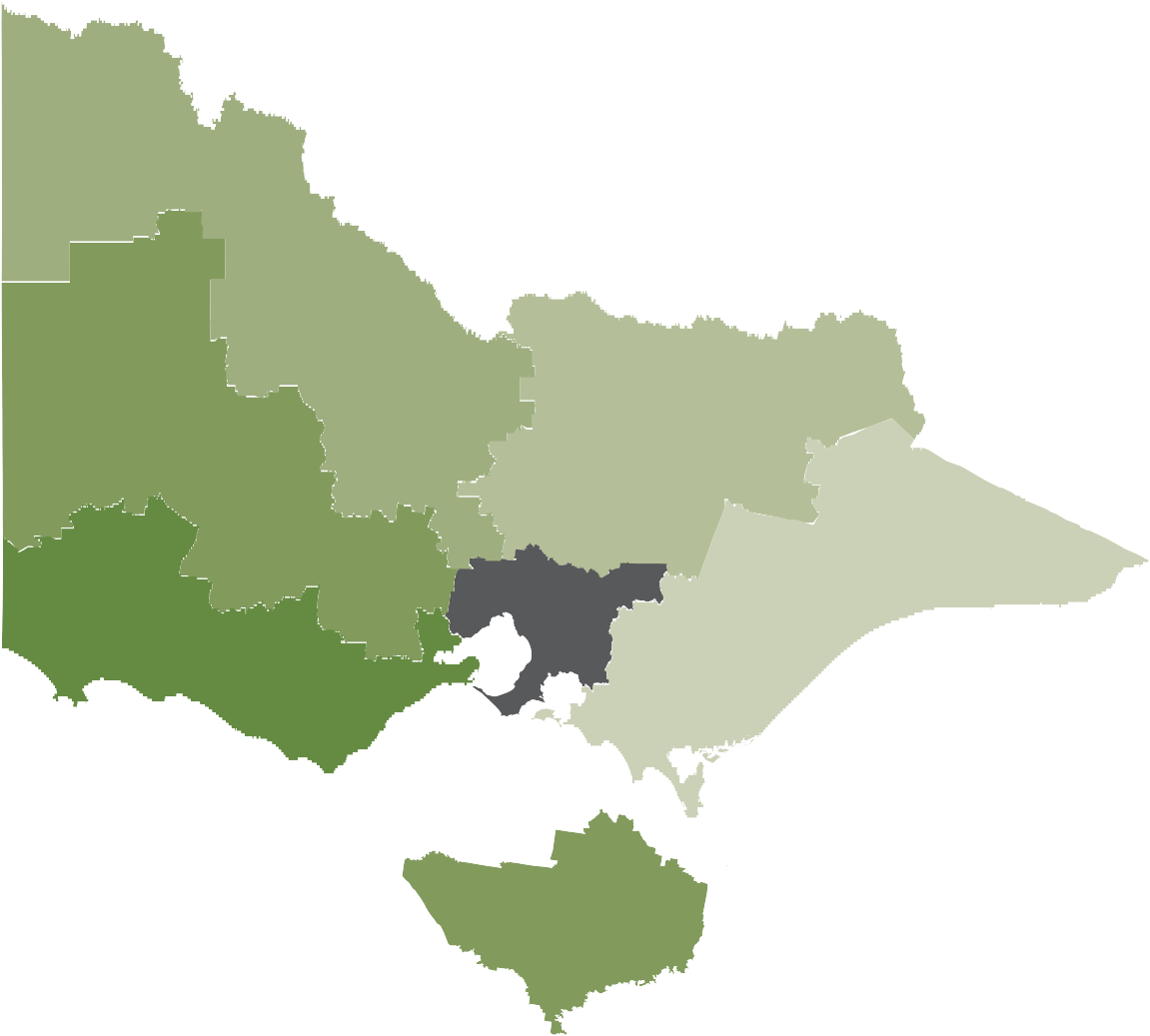
Outside of the Melbourne regions, Hume accounted for the highest proportion of enrolments in 2013, accounting for 14 per cent of the total.

##### Table 4.7: Enrolments by region, government subsidised, 2008 to 2013

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Delivery Location Region** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Western Metropolitan | 750 | 700 | 800 | 1,100 | 3,600 | 4,700 |
| Hume | 400 | 500 | 550 | 550 | 950 | 1,800 |
| Northern Metropolitan | 3,100 | 2,900 | 2,900 | 2,600 | 2,300 | 1,700 |
| Southern Metropolitan | 1,600 | 1,500 | 1,600 | 1,700 | 1,600 | 1,700 |
| Barwon South West | 700 | 850 | 900 | 850 | 1,050 | 950 |
| Loddon Mallee | 650 | 700 | 850 | 1,100 | 1,000 | 950 |
| Eastern Metropolitan | 1,100 | 900 | 1,400 | 850 | 750 | 500 |
| Gippsland | 650 | 500 | 450 | 450 | 400 | 350 |
| Grampians | 250 | 350 | 250 | 300 | 250 | 200 |

The following maps highlight where industry enrolments took place in 2013, and the number of training providers delivering in these areas.

##### Figure 4.4: Automotive RSR industry training providers and enrolments, 2013



**Loddon Mallee**

5 providers

950 enrolments (7%)

**Grampians**

2 providers

200 enrolments (1%)

**Hume**

4 providers

1,800 enrolments (14%)

**Barwon South West**

6 providers

950 enrolments (7%)

*See metro inlay*

**Gippsland**

4 providers

350 enrolments (3%)

**Western metro**

19 providers

**Northern metro**

9 providers

1,700 enrolments (13%)

**Eastern metro**

4,700 enrolments (36%)

6 providers

500 enrolments (4%)

**Southern metro**

13 providers

1,700 enrolments (13%)

Student characteristics

Age profile

Automotive RSR training had a significantly younger student age profile than the all-industry average, with 57 per cent of enrolments by students aged 15 to 24 years. This is compares with 43 per cent of students in this age bracket across all industry training.

The proportion of enrolments by students in this youth age demographic has declined since 2012, however, when they accounted for 67 per cent of enrolments. Enrolments by students aged 15 to 19 declined by five per cent between 2012 and 2013, from 4,100 to 3,900. This contrasts with enrolment growth across all other age groups.

##### Figure 4.5: Proportion of enrolments by age, government subsidised, 2013

Automotive RSR

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 31% | 26% | 18% | 14% | 9% 3 | % |

All Industries

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 22% | 21% | 21% | 17% | 13% | 5% |

15 to 19 20 to 24 25 to 34

35 to 44 45 to 54 55 to 64

Gender

Men made up the majority of enrolments in Automotive RSR courses, accounting for 96 per cent of government subsidised enrolments in 2013. This proportion has remained consistent over time.

This compares with an all-industry average of 55 per cent male enrolments in 2013 and is indicative of the employment profile of the Automotive RSR industry.

Of the around 500 government subsidised Automotive RSR enrolments by women in 2013, the Certificate III in Automotive Mechanical Technology had the most enrolments, accounting for 35 per cent of the total. This was followed by the Certificate III in Automotive Sales and the Certificate II in Automotive Studies (Pre-Vocational). Enrolments in these three courses represented approximately two thirds of all enrolments by women.

Women were much more likely than men to enrol in automotive sales qualifications, with 18 per cent of total

female enrolments in these courses compared to just two per cent of male enrolments. Despite this, women still accounted for only 27 per cent of enrolments in automotive sales qualifications in 2013.

Learners facing barriers

Just 12 per cent of Automotive RSR enrolments were by unemployed students in 2013. This compares with an average of 25 per cent across all industries, and reflects the high proportion of apprentices in Automotive RSR courses. Enrolments by unemployed students increased in 2013, however, by 30 per cent to 1,500.

Culturally and Linguistically Diverse (CALD) students were also relatively under-represented in Automotive RSR training, accounting for 22 per cent of government subsidised enrolments in 2013 compared to 26 per cent across all industries. This may in part reflect the low presence of Learn Local providers in this sector. While enrolments by CALD students were comparatively low, however, they have been growing strongly. Government subsidised enrolments by CALD students increased by 43 per cent between 2012 and 2013, from 1,900 to 2,800. This compares to total Automotive RSR enrolment growth of 15 per cent over the same period.

Enrolments by students with a disability were on par with the all-industry average, at six per cent in 2013. Enrolments by students with a disability declined by 14 per cent between 2012 and 2013.

The proportion of enrolments by students identifying as Indigenous was also similar to the all industry average, at 1 per cent. Enrolments by Indigenous students fell by seven per cent between 2012 and 2013, following a large increase (28 per cent) in 2012.

The course with the most enrolments across all student groups was the Certificate III in Automotive Mechanical Technology.

##### Figure 4.6: Proportion of enrolments by learners facing barriers, government subsidised, 2013

26%

25%

22%

12%

6% 6%

1% 1%

CALD Disability Indigenous Unemployed

Automotive RSR All industries

Training challenges and opportunities

|  |  |
| --- | --- |
| **Challenges and opportunities** | |
| **Industry attraction and retention**   * Difficulties attracting young people into the Automotive RSR industry were highlighted throughout industry consultations. This is attributed to a range of factors, including a negative and out-dated image of the industry and its associated career opportunities. * Apprentice retention was also raised as an issue for the industry. According to Auto Skills Australia, more than one- quarter of apprentices withdraw from training in the first year, and approximately half withdraw over the first three years.**21** Attracting and retaining new entrants to the industry will be essential if the industry is to alleviate ongoing skills shortages and address potential workforce ageing. * The promotion of Automotive industry careers and pathways will be a key part of this goal. The MAAP My Future website**22** provides a range of materials designed to increase the awareness of careers and apprenticeships in the Automotive industry and to increase the levels of apprentices completing their initial training in the industry:   – [http://maapmyfuture.com.au](http://maapmyfuture.com.au/) | * The **Victorian Skills Gateway** provides information on vocational training available for students wanting to pursue a career in   the Automotive industry. DEECD is developing links from the Gateway through to the targeted information available on MAAP My Future, to help signpost potential students to material which will support them in their decision-making.  – <http://www.education.vic.gov.au/victorianskillsgateway>   * DEECD continues to develop the information available to students via the Victorian Skills Gateway, and will work with industry to identify case studies of Automotive workers in skills shortage areas as a way of lifting awareness about opportunities on offer in the industry.   **Increasing skill requirements**   * The influence of rapidly changing technology on the industry’s skill requirements has been another key theme during consultations with Automotive industry stakeholders. Automotive apprentices increasingly need higher levels of computer literacy and technological understanding, and the breadth of skills which need covering in an apprenticeship   is increasing – creating a challenge for both students and training providers. |

1. Auto Skills Australia, Automotive Environmental Scan 2013
2. MAAP (the Mentor Adviser Apprenticeship Program) is a national program facilitated by the Australian Motor Industry Federation, Auto Skills Australia, the Motor Trades Associations of WA, NSW, SA, the VACC and the Tasmanian Automotive Chamber of Commerce.

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| **Challenges and opportunities** | |
| * Technological requirements on modern vehicles mean that students need strong maths and IT skills. However, there is a perception among Automotive industry stakeholders that young people who are not academically inclined are   often steered towards the industry regardless of interest or capability. Employers have raised concerns with the levels of language, literacy and numeracy skills among some automotive apprentices. Of equal concern is general maths and IT capability.   * Misalignment between the skills required by industry and student capability is cited as one factor contributing to attrition among apprentices. To assist existing apprentices, some training providers are providing LLN support for students, while student mentoring programs have been cited as having a positive impact on retention. * There is wider opportunity to work with careers advisers to ensure they have an up-to-date view of the industry and its skill needs, in order to provide well-informed careers advice to prospective students. The careers websites flagged above are one important link in this chain. DEECD can also facilitate linkages between the Automotive industry and career associations and resources in Victoria as a way to ensure   relevant information about career opportunities and pathways is available to students, parents and careers advisers.   * Looking longer term, DEECD supports opportunities to raise levels of achievement among young people in the STEM fields of science, technology, engineering and mathematics, and is developing a STEM Plan to build teacher capacity and capability across all levels of the school system.   **Training currency**   * A further consequence of the fast pace of technological change in the industry is that training may not always be able to keep up with industry requirements, with currency among VET teachers, training materials and equipment questioned during industry consultations. * The importance of collaboration between industry and training providers was highlighted by a number of stakeholders as a way of maintaining training currency. Examples were provided of businesses offering VET teachers access to in-house training,   or working with training providers to share equipment and expertise. DEECD can help support businesses to develop these linkages with training providers via its network of Regional Market Facilitation Managers. | **Training quality**   * There are some concerns within industry relating to the quality and practices of some training providers. More broadly, a number of businesses cited difficulties in accessing training which was genuinely tailored to the needs of their organisation. This is particularly, although not exclusively, an issue for smaller businesses, whose demand for training may not be large enough to make customised delivery viable from the perspective of training providers. * There is an opportunity for training providers to partner with Automotive businesses in understanding their needs and developing appropriately tailored training which meets requirements. * In relation to training provider quality and behaviours, DEECD’s Market Monitoring Unit monitors the vocational training market and investigates any evidence that quality outcomes may not be achieved, while the Victorian Registration & Qualifications   Authority continues to respond to concerns relating to individual training providers.  **Training for niche and specialist skills**   * As highlighted earlier in this report, a number of instances were identified during industry consultations where niche or emerging skill needs may not be fully supported by the training options currently available – specifically bicycle training and engine reconditioning. Where there is a demonstrated training market failure in areas of key skills need, DEECD will facilitate a partnership approach between industry and training providers to assist the development of training. * To assist the bicycle industry with challenges in delivering bicycle retail, service and repair training, DEECD is working with industry associations to further research the issue and develop a roadmap for the industry. This will include an analysis of supply and demand issues and trends. Job opportunities within the industry will be promoted via the Victorian Skills Gateway, while industry associations continue to highlight the importance of accredited training to bicycle industry employees. * In the area of engine reconditioning, DEECD continues to work with industry associations to explore options for a new   training delivery model to ensure the ongoing viability of engine reconditioning trade training in Victoria.  **Industries in transition**   * To support employees affected by business restructuring, DEECD’s Workers in Transition Program (WiT) supports transition into new employment by providing retrenched staff with access to government subsidised training and the opportunity to obtain new skills. WiT has also supported   retrenched workers in other industries to retrain in skill shortage occupations in the Automotive RSR industry. |

# Conclusion

The Automotive Retail, Service and Repair industry is experiencing ongoing restructuring and change. These changes are influencing the skills requirements of industry employees, whether they wish to refresh their existing skills to maintain currency in the light of ongoing technological change, or whether they are looking to retrain in order to find employment elsewhere in the light of business consolidation.

This report has presented a snapshot of Automotive RSR training delivery within Victoria, alongside some of the challenges and opportunities facing industry and training market stakeholders. Consultations carried out with industry over the course of 2013 have highlighted a number of positive examples of industry working with training providers to develop solutions in response to identified challenges and industry skills needs.

The Industry Participation Model described earlier in this report provides the framework for ongoing monitoring of the alignment between industry skill needs and training delivery and for industry stakeholders to work with government in identifying any areas where government intervention may be necessary to ensure any market failures are addressed.

Within this context, this report is intended to be part of an ongoing conversation with the Automotive industry regarding its experience of the Victorian training system. To this end, industry stakeholders are invited to further engage with DEECD on any of the challenges and opportunities identified in this report and to collaborate with government in developing sustainable solutions in areas of identified need.