



SKILLS SHORTAGE SURVEY 2021

A member survey recently conducted by the Australian Automotive Dealer Association revealed that almost every new car Dealer is suffering from a shortage of skilled technicians in their workshops. The survey, which received almost 100 responses from members representing some 400 dealerships, shows that Dealers are having serious difficulties finding suitably skilled or qualified technicians to fill vacant positions. For many Dealers the hiring process takes months, while some are unable to fill vacant positions at all.

SEVERE SKILL SHORTAGE

Almost every Dealer surveyed (97%) is suffering from a shortage of technicians.

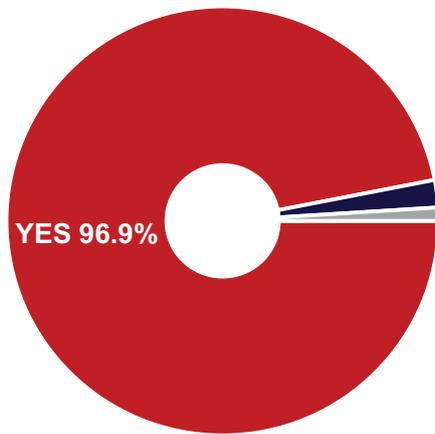


Chart 1: Dealer suffering from a shortage of technicians

One third (37.2%) have a shortage of skilled technicians of more than 25% of the available positions. The majority (51.1%) of respondents have a deficit of 5% to 20%.

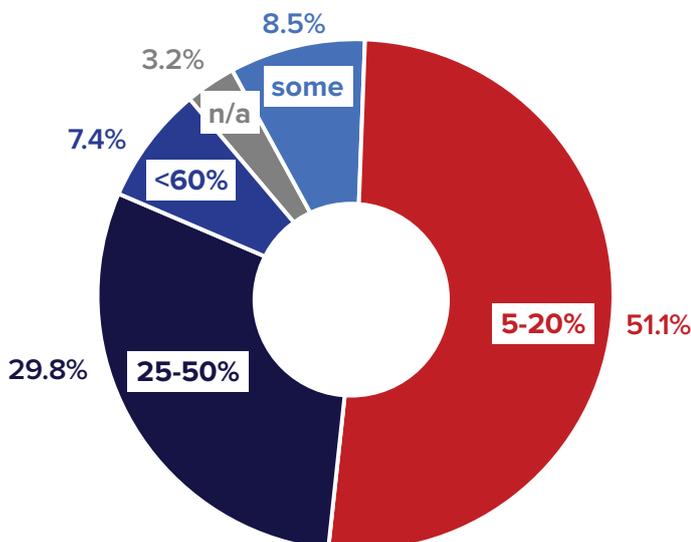


Chart 2: Expected shortage of technicians in %

LONG RECRUITMENT TIMES

The survey results also highlight a significant challenge for businesses to recruit qualified workers in the current market.

Only a third (34%) of the Dealers looking to hire new technicians are able to fill the positions within three months. For a quarter of the Dealers (23%) it usually takes more than half a year to fill a vacant position, with another quarter stating that on average positions are filled within 3 to 6 months. Alarming, more than 12% are unable to fill vacant positions at all. Reports from Dealers suggest that regional areas are the hardest to find and place employees.

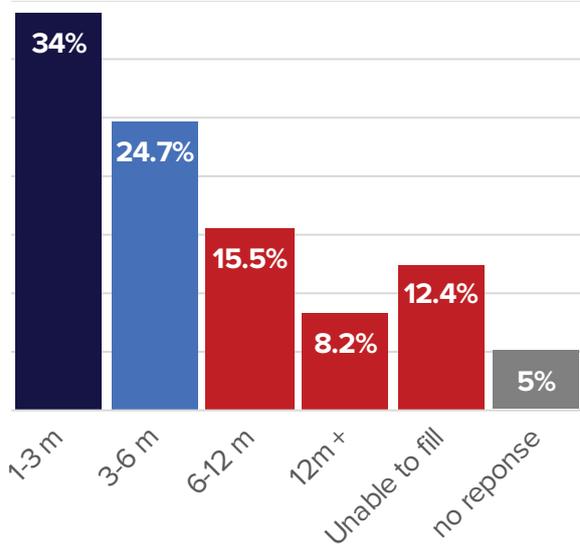


Chart 3: Average time to hire a technician in months

SKILLED MIGRATION DEMAND

Most Dealers (55%) currently employ technicians from overseas and rely on skilled migrants being able to enter the country. All of them agreed that the recent COVID-19 restrictions had an impact on the availability of skilled immigrant workers.

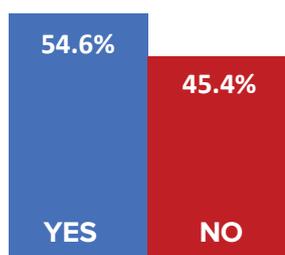


Chart 4: Percentage of Dealers typically employing overseas technicians

Eight in ten Dealers not currently employing workers from overseas said they would consider doing so in future in order to fill positions.

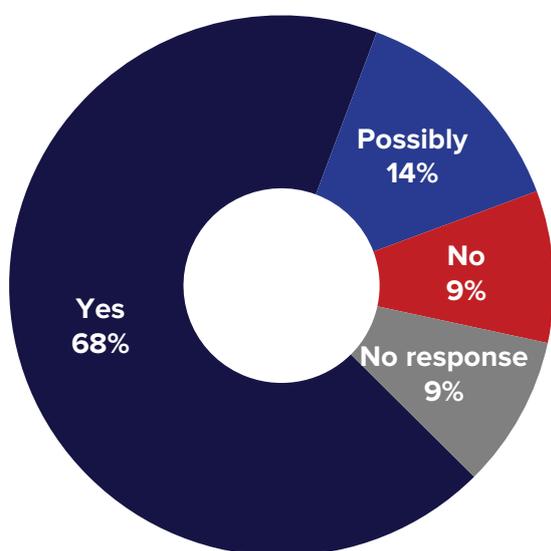


Chart 5: Percentage of Dealers considering employing technicians from overseas.

DEVELOPMENT AND RETENTION APPROACH

Apprentices

The majority of Dealers are trying to take on more apprentices and/or to up-skill or cross-skill existing staff to grow their technician base.

Some Dealers however do not have enough senior technicians to take on new apprentices. Dealers also find it increasingly difficult to find suitable candidates and retain them once they have completed their apprenticeship, as other industries (such as mining) are able to offer better salary packages.

Incentives and Increased Wages

Many businesses are considering increased pay rates or cash incentives to retain skilled staff. This however increases costs and reduces Dealership profit.

Dealerships are also looking at changing their work arrangements. While some are considering switching to a 4-day week or offering additional leave to attract talent, others have to extend shifts and pay existing staff overtime to meet customer demand.

Employing overseas workers

Dealers are generally open to recruiting skilled technicians from overseas but excessive costs, administrative burdens and international border closures restrict access to the international talent pool.

Effects on business and consumers

With a lack of technicians in workshops, a significant number of Dealers have to postpone bookings potentially resulting in customers not having their cars safely maintained and serviced.

Some Dealers are also forced to reduce the number of bookings they can take and have to be selective about the type of work they can accept.