



AUSTRALIAN  
AUTOMOTIVE  
DEALER  
ASSOCIATION

# SUBMISSION TO THE AUSTRALIAN APPRENTICESHIP SERVICES & SUPPORTS DISCUSSION PAPER

DECEMBER 2022



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# FOREWORD

The AADA welcomes the opportunity to respond to the Australian Apprenticeship Services and Supports Discussion Paper.

The AADA is the peak automotive industry body which represents Australia's franchised new car Dealers. There are approximately 1,500 new car Dealers in Australia that operate some 3,100 new vehicle Dealerships. Franchised new car Dealers employ more than 59,000 people directly and generate more than \$59 Billion in turnover and sales with a total economic contribution of over \$14 Billion.

Dealers are currently experiencing a debilitating shortage of skilled workers, particularly in workshops where there is a critical shortage of trained and qualified technicians (motor mechanics). The MTAA estimates that across the industry there will be a shortage of over 38,000 skilled workers in the automotive industry by 2023.

In a November 2022 Skills Priority List survey of AADA members, of the 50 Dealers respondents, collectively representing over 200 dealerships, 98% reported shortages of technicians. Of those, 90% also reported that they had positions vacant for more than 3 months. More than half of the Dealers surveyed also believe that over the next five years, demand for these positions will only increase.

The service department in a dealership is not only a critical source of revenue for the business, but also an important provider of maintenance and repair for motorists, helping them satisfy their mobility needs and travel in safe and efficient vehicles.

New car Dealers appreciate that the viability of their workshops is largely dependent upon finding and retaining skilled and qualified technicians and apprentices. They understand the need to invest in apprentices to train the future workforce. Unfortunately, Dealers frequently experience difficulty in finding apprentices and those who they do find often don't complete their apprenticeship.

To better understand the reasons why apprentice completion rates are so low and to gain a better understanding of the apprenticeship experience, the AADA partnered with the Australian Automotive Aftermarket Association (AAAA) and the Motor Traders Association of Queensland (MTAQ) to conduct a survey (Appendix A) of automotive industry apprentices. The 15-minute survey was run in March 2022 and received responses from over 600 automotive apprentices from all over Australia. Details of the survey results are provided in the commentary below, but overall we see progressively lower levels of satisfaction by apprentices as they move through the years and a steady decline in assessment of their career prospects.

These are concerning results, especially considering that the industry is at the beginning of the biggest technology revolution in over 130 years, with the move from internal combustion engines to electrified drivetrains. This change is leading to re-training opportunities for those already in the industry and new skillsets for those entering it so career prospects should be regarded highly among apprentices.

## Section 1

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Changing these perceptions and improving the image of automotive industry apprenticeships will be the work of government and industry, working closely together and with continual monitoring of outcomes to ensure that positive results are being achieved. We firmly believe that critical to achieving better completion rates and satisfaction levels, will be programs which inform and educate apprenticeship candidates at school and in pre-apprenticeship courses. Following that, for those that have commenced an apprenticeship, independent mentoring, support and monitoring will play a big role in ensuring that apprentices go on to enjoy successful and rewarding careers.

**James Voortman**  
Chief Executive Officer



# Australia

3,026 Dealerships



## Economic Contribution



**59,669**

Dealer Employees



**\$5.38 billion**

Dealer Wages



**\$2.74 billion**

Tax Contribution



**\$14.12 billion**

Total Economic Contribution

# AADA KEY POINTS

## 1. Education and training

- Technology is rapidly evolving, and it will be challenging for trade training RTO's and TAFE colleges to stay abreast of these changes. The government must facilitate engagement between industry and education providers in the VET system while providing those providers with the flexibility required to rapidly adapt to technological changes.
- Funding of the VET system needs a comprehensive review across state, territory and federal boundaries to ensure it is meeting the needs of industry and efficiently delivering outcomes that benefit apprentices and their employers.

## 2. Automotive Apprentices

- The automotive industry is suffering a chronic shortage of technicians and is reliant on a steady stream of apprentices entering the industry and completing their indenture, to fulfill current and future needs
- The government should establish a national Apprenticeship Board which can deliver nationally consistent and recognised qualifications and training.
- Funding for pre-apprenticeship training and mentoring programs which monitor and report on apprentice sentiment
- VET in school programs which allow students to make informed choices about their career path and highlight the benefits and opportunities available through an apprenticeship
- Improved support for apprentices through independent monitoring and mentoring
- Government and training industry providers engage in round table discussions with automotive industry employers – those who make decisions, recruit, engage, contract employ, train, mentor and manage apprentices and facilitate the on-the-job training that leads to populating industry with people with the necessary skills for the future.

# THE AUTOMOTIVE INDUSTRY IS A SIGNIFICANT EMPLOYER OF APPRENTICES

Automotive is one of the top five Industries in which apprentices are employed.

There are more than 12,000 apprentices engaged in the auto trades. And there is a continuing commitment by employers and Associations to engage, train and complete apprentices. Motor Trade Associations and Chambers of Commerce provide significant employment of apprentices via Group Training Schemes (GAS).

Employers in the automotive industry are supportive of apprentice training, however, there are costs, and the costs and commitments can overwhelm some small employers. The GAS schemes have overcome some of these issues but need host businesses to support them and employers need encouragement to train.

# EMPLOYERS ARE RESULTS DRIVEN

Employers of apprentices need to see that the results, training, competencies, relevance of TAFE curricula and rates of completion are worthy of the considerable effort that it takes to engage, supervise, and retain apprentices.

Therefore employers of apprentices, being such a considerable supplier of skills to the workplace, should be celebrated and encouraged with enthusiasm by governments.

Apprentices themselves should also be celebrated and encouraged as the likely future leaders of industries, both as trade workers, future managers, employers, and business owners. There is not always the appropriate recognition paid to starting an apprentice, learning on the job, continuity to train and learn, and therefore contribute to the strong demand for trade skills that exists in Australia.

More needs to be done to encourage, promote, and grow the number of apprentices and trainees employed and complete training.

The apprenticeship system is alive and well and has served to train and qualify many competent and valuable trade workers in the past, however, the apprenticeship contract cannot stand still, it will need to move with the times. Keeping up with technology and digitization of all aspects of work and training is important.

One of the many benefits of training as an apprentice, is that the learning is done on the job, whilst being paid, and under the supervision of people who have themselves many years of experience in the trade and highly developed skills. It is a system that has served us well and it can continue to do so, if the issues raised in the Australian Apprenticeship Support and Services Discussion Paper are successfully addressed.

# LEADERSHIP AND AN EXAMPLE OF EMPLOYER COMMITMENT

Many leaders in business and management started their journey as apprentices and worked their way up. An apprenticeship is a good pathway which promotes continuous learning and a broad understanding of trade and business.

AADA member Peter Warren Automotive are showing leadership and have been recognised as a leader in training, winning the Australian National Vocational, Education and training award for large employer of the year in 2021.

Dealers like Peter Warren Automotive have designed and operated apprentice training courses in conjunction with TAFE. This type of collaboration with TAFE Colleges should be encouraged by all concerned to add new apprentices and create relevant training.

In the last 12 months the Peter Warren Group has increased apprentice numbers in their business from 365 to 529 including a 13% female representation in the 2022 intake. This is an example of substantial employer commitment to training apprentices where Dealers have committed time, effort, and investment to the task of training.

AADA is keen to see continued support and recognition that employing apprentices is a commitment which should be supported by Government.

Attracting new staff, training for the future, and retaining through to completion and continuing employment in the trades is the common goal.

# AADA RESEARCH PAPER PROVIDES A 2022 SNAPSHOT OF APPRENTICE SATISFACTION

In cooperation with AAAA and MTAQ, AADA have recently surveyed over 600 automotive apprentices. The comprehensive survey sought to find some answers to the question of why apprentices leave, don't complete, or do not continue in the trade once completed.

The full report which is attached to this submission reveals that apprentices are vulnerable to decisions which drive non-completion of the training/apprenticeship contract, however overall there is a deep commitment and satisfaction with their choice shown by most apprentices and a genuine interest in the trade as a career and the opportunities that a rapidly developing automotive industry represents.

The automotive industry is experiencing extraordinary skills shortages, so understanding the journey undertaken by apprentices is vital to support the sector into the future.

While some of the survey findings show young apprentices consider changing careers during their apprenticeship, the vast majority have a passion for and stay in the automotive industry. This commitment is connected to their initial career drivers and vision for the future through their true love and passion for all-things automotive.

For policy makers there are key opportunities to design closer engagement with fourth year apprentices to educate on options post-qualification.

- 88% of apprentices have a genuine interest in developing their own knowledge in the newest technologies and overwhelmingly recognise the importance of ongoing learning beyond the completion of their initial qualification.
- Students identified extension learning in specialisation areas like hybrid or electric vehicles, programming and diagnostics, advanced driver assistance systems technology, or learning business skills to operate a workshop.
- The survey provided a great insight into the perspectives of women who work in the automotive industry. There have been significant improvements for women undertaking an apprenticeship particularly as they become familiar with the opportunities available for a long-term automotive career and the successes of other women working in the industry.

### **Apprentice satisfaction was high – 86% very satisfied or satisfied.**

- Overall, 60% of all respondents reported being 'very satisfied' with their apprenticeship, with a further 26% saying they were 'satisfied', and 14% 'dissatisfied'.
- Three-quarters (75%) of first-year apprentices said they were 'very satisfied' and 21% said they were 'satisfied', with just 4% saying they were 'unsatisfied'.
- The further into their apprenticeships they were, the less satisfied they reported being, with 62% of second-years, 50% of third-years, and just 33% of fourth-year apprentices saying they were 'very satisfied' with their apprenticeships. Dissatisfaction grew, from 9% for second-years, to 21% for third-years, and 37% for fourth-years.

The survey results provide key insights into four specific cohorts within the apprentice body. Each of them stands out in terms of their unique experiences, expectations, and needs.

### **First Years**

Their time in the industry might be short, but they are happy with their career prospects, and enjoying their training. However, low pay rates are already a challenge, as are repetitive tasks. They do however find the workplace enjoyable and are looking to remain in the industry as they work towards the goal of becoming a master technician.

### **Second Years**

Still largely stimulated by their apprenticeship experience but the perception of limited career prospects is becoming a concern. Starting to feel more comfortable with their working environment and co-workers.

### **Third Years**

Apprentices at this level are now starting to have some misgivings about their experience. Dissatisfaction levels are at about 50% at this stage with on the job learning and development opportunities and training quality and availability becoming a concern.

### **Fourth Years**

Fourth year apprentices are less satisfied, with concerns around career prospects, level of training and learning and development opportunities. Despite many considering leaving the industry, they have stayed (with the support of family and friends).

It has however shifted their thinking to the business side of workshop operations, suggesting a level of interest in opening their own shop once they qualify.

## Section 6

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### Women apprentices

Whilst the automotive industry doesn't have many female apprentices, those it does have are highly satisfied, and committed to the profession. Female apprentices almost universally expected to remain in the sector beyond the completion of their qualifications.

However, the lack of diversity remains challenging, with their gender making their journey more difficult. Positively, this doesn't change their mind – they plan to stay in the industry long-term. They will however leave an employer if they don't believe it's the right environment for them.

Entering the automotive sector appears more confronting for women than men, as they face off against traditional stereotypes, both within the workshop, and amongst their family and friends.

Women also experience a broader range of challenges as they move through their apprenticeship, talking to the lack of diversity within their peer group, and the workplace more broadly. Female apprentices have overcome a level of adversity to succeed; this is further highlighted by the fact that one in four of them have felt the need to switch employers during their studies.

Despite this, female apprentices appear to be obtaining better outcomes in most areas than their male counterparts, reporting greater satisfaction than men in every area except training provider and quality of training received.

The gender difference suggests that while the absolute number of female apprentices remains limited, there is a cohort that are being actively engaged

and well supported through their apprenticeship – the question is how we can both share their stories more broadly, and ensure other female apprentices receive similar treatment.

Given the level of commitment shown by these women, the industry needs to ensure that it facilitates their progression as best possible to visibly create positive outcomes that can help smooth the way for future candidates.

## Section 6

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### Career Changers

Career changers are those apprentices who decided to follow this career path after initially trying a different career path. They make up 32% of automotive apprentices.

Career Changers are forward thinkers who want to learn about new technologies.

They are however less engaged with some aspects of the apprenticeship, ideally wanting the flexibility to reduce the length (and potentially also tailor the content) of their studies.

Career Changers were attracted to a career in the automotive sector as it aligned with their love of vehicles and enjoyment of working with their hands, while also offering the opportunity to be exposed to new innovations and cutting-edge technologies.

While there are some common elements with other groups (i.e. loving working on cars / working with their hands), the focus on technology means this will need to be included in their training for them to remain engaged.

Career Changers also face a significant barrier in terms of the low pay rates, suggesting they would in many cases be taking a step backwards in income.

### About the survey

The 15-minute online survey was distributed by AAAA, AADA and MTAQ (and selected partners), through social media and distribution lists, between 28 February and 29 March, 2022.

In all, 619 apprentices responded – of these, 31% were in NSW/ACT, 27% in Victoria/Tasmania, 21% in Queensland, 12% in Western Australia, and 9% in South Australia/Northern Territory. 62% were in Metro areas and 38% in Regional.

Almost half (48%) of respondents were aged 19-22. Another 12% were 18 and under, 19% were aged 23-26, and 22% were 27 or older. 93% were male. First-years made up 36%, second-years 28%, third-years 19% and fourth-years 16%.

The full survey results and report can be found in Appendix A.

# CONCLUSION

The AADA welcomes the opportunity to discuss this important issue further and would be happy to provide more information, answer any questions and engage in any other consultations and discussions.

**James Voortman**  
Chief Executive Officer  
M: 0452 535 696  
E: [jvoortman@aada.asn.au](mailto:jvoortman@aada.asn.au)

# APPENDIX A





**AUSTRALIAN  
AUTOMOTIVE  
DEALER  
ASSOCIATION**

**CANBERRA OFFICE**  
**Suite 3, Level 1, 42 Macquarie Street, Barton ACT 2600**  
**PO Box 4409 Kingston ACT 2604**

**E [info@aada.asn.au](mailto:info@aada.asn.au)**  
**[aada.asn.au](http://aada.asn.au)**