

2025 CORE SKILLS OCCUPATION LIST SUBMISSION

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to submit to the review of targeted occupations on the 2025 CSOL.

The AADA represents almost 3,800 new car and truck dealers in Australia, which range from family-owned small businesses to larger and publicly owned businesses, operating in regional Australia and capital cities across the country. Franchised new car and truck dealers employ more than 68,000 people directly with a total economic contribution of around \$18 billion. Each year franchised new car dealers sell more than 1.6 million new and used vehicles, and complete over 44 million individual service, repair, and maintenance jobs.

Supporting the community and economy by providing essential vehicle servicing and repair is a key task for dealers, and in turn, access to a talent pool of automotive technical staff is an important matter for the industry. Currently, there is a continuing shortage of staff which is holding back business and causing delays for consumers in the availability of service and repair bookings.

The AADA supports the continuance of arrangements that allow skilled migration in the occupations identified in the Core Skills Occupations List (CSOL) published in 2024. Since then, the labour market in the automotive industry has continued to be tight, making recruitment of trade-qualified automotive staff difficult. The rationale and decisions for inclusion of automotive occupations on the CSOL remain relevant, and retention in the 2025 CSOL is supported by AADA.

In the automotive industry, it is vital to maintain a skilled workforce and there are continuing shortages of skilled people to fill positions. It is estimated that there is an unmet demand for over 40,000 people to work in the retail automotive industry.

The pool of available automotive technicians has not kept pace with demand and therefore, access to skilled migration is necessary and successful in filling positions which would otherwise be left vacant.

The AADA supports the continuing use of skilled migration for the automotive retailing industry and supports retention of the automotive occupations under review on the 2025 CSOL targeted for consultation group:

- 351131 Automotive Technician (General)
- 351431 Agricultural Mechanic
- 351433 Diesel Technician
- 351434 Electric Vehicle Technician

The changes to some of the titles of the occupations in the move from ANZCO to OSCA this year did not alter the work or ongoing demand for people with automotive occupational skills. Working on an electric vehicle remains in the scope of the work of many automotive technicians working in new car dealerships and trained in the EV products by the franchisor. Adding a new 351434 EV classification has not reduced demand for Automotive Technicians, and currently, almost all electric vehicle servicing and repair work is undertaken by automotive technicians working for franchisee dealerships of EV manufacturing brands.

The broad skills of automotive technicians trained in the necessary automotive servicing, diagnostic, and repair functions remain relevant and highly desirable to dealers seeking employees who can adapt quickly and, most of all, know how to fix cars and trucks.

Skills shortages in the Automotive industry

There is no doubt that the automotive industry is continuing to experience an acute skills and labour shortage to address this industry wide problem. In 2023, 98 per cent of dealers surveyed by AADA reported a shortage of available automotive technicians and 78 per cent of dealers surveyed across over two hundred dealer locations had sponsored skilled migrants to work in their businesses in the previous 12 months.

A search of job advertising on the popular Seek website shows over 8000 motor mechanic positions currently advertised. In addition to the volume of positions that applicants may choose from, there are also sign on bonuses being offered of \$2000 to \$3000 to each new employee. The volume of job advertising indicates both strong demand and an elevated level of competition for automotive technicians. However, fill rates of advertised positions are disappointingly low. A 2024 Motor Trades Association of Australia (MTAA) members survey undertaken by Deloitte Access Economics, confirmed that automotive mechanical skills are in demand and yet often unfilled, and on average, only 41% of automotive industry vacancies were filled.

Vehicle servicing and repair is undergoing immense change with the introduction of new hybrid, battery electric, and plug-in hybrid vehicle technologies. The skills needed to work in the automotive industry are changing, and not all incumbent automotive technicians will want to train in new electric vehicle skills. There are claims that the electrification of our vehicle fleet will reduce the need for maintenance and repair work. While this reduced frequency of servicing required is

a factor with EVs, these vehicles are very advanced and require sophisticated tools and equipment to identify faults or conduct repairs. This range of new powertrain types has eliminated the ability for vehicles to be serviced or repaired by a DIY owner or keen amateur mechanic.

Most electric vehicles will be serviced and repaired at franchised dealerships (largely due to being under warranty or a new technology) and as these vehicles increase in number, demand for auto technicians will naturally increase. Without a talent pool of available automotive trade workers to fill positions now, consumers will find that servicing and repairs of their vehicles are delayed. Where dealers are understaffed, and suitably skilled people cannot be hired, productivity in dealer workshops will diminish.

Occupational fill rates

In 2024, fill rates for vacancies were 41% on average and lower for motor mechanics at 38%, automotive electricians at 33% and diesel mechanics at 27%, which indicates that automotive businesses are having difficulties finding employees. Survey results showed that all the CSOL automotive occupations under review were in shortage, and the AADA considers that the situation has not improved in the meantime, and skills shortages remain an issue for dealers in 2025.

A recent survey of AADA members found that 35% of dealers identified workforce shortages and skills gaps as one of the more important challenges in their businesses.

Skill shortages in the automotive industry also have wider implications for the community and threaten to undermine the safety of Australia's vehicle fleet as service, repair and maintenance procedures are delayed. Migration of automotive workers can assist dealers in filling vacancies and reduce longer wait times for repair and the associated losses of opportunity caused by unfilled job vacancies.

Regional employment and migration

The AADA agrees that the employment of migrating workers in the regions is a positive and beneficial policy which should be expanded. This is often a mutually beneficial arrangement where automotive technicians who migrate to Australia and settle in a regional location provide stability for businesses where they fill unfilled vacancies, but they also remain in the region and enjoy the Australian country lifestyle.

Regional towns and centres are also attractive, as locations with a lower cost of living than Melbourne, Sydney, and Brisbane, and businesses located in regional Australia should not miss opportunities to hire migrating workers.

Last year, the AADA submitted to the Department of Home Affairs consultation 'Response to supporting strong and sustainable regions' and recommended:

- Tripling the number of permanent places available for regional migration.
- Extending Designated Area Migration Agreements (DAMAs) to help meet regional workforce needs.
- Designating regional visa processing as the highest priority so that businesses are able to quickly meet their skills needs.
- Working with states and territories to plan migration over the longer term.
- Expanding and improving the Pacific Australia Labour Mobility (PALM) scheme.
- Facilitating Working Holiday Makers to support local economies and regional Australia's workforce needs

By maintaining automotive occupations on the CSOL, opportunities to fill regional jobs will remain open and possible.

Vehicle sales and population growth

The volume of sales of new and used vehicles in Australia has been maintained and grown over the last year. Total new vehicle sales in 2024 were over 1.2million vehicles, total used vehicle sales were 2.3 million vehicles, and registered vehicles increased from 19.8 million to 20.4 million. The task of maintenance and repair continues to grow and demand quick turnaround to meet customer satisfaction expectations.

Conclusion

AADA submits that these factors should be taken into consideration and that the automotive occupations on the CSOL list be retained in 2025.

AADA would be pleased to answer any questions about our submission or to meet to discuss the importance of retaining automotive occupations on the 2025 CSOL.

Yours sincerely



James Voortman

Chief Executive Officer