



AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION

RESPONSE TO THE INQUIRY INTO THE **VALUE OF SKILLED** **MIGRATION TO AUSTRALIA**

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FOREWORD

The Australian Automotive Dealer Association (AADA) welcomes the opportunity to provide a submission in response to the Inquiry into the value of skilled migration to Australia.

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.

The AADA considers that access to a skilled automotive workforce is essential to the ongoing viability of the automotive retail sector. Persistent and well-documented skills shortages, particularly among automotive technicians, continue to constrain business operations, delay consumer services and limit productivity. The AADA submits that skilled migration remains a necessary and appropriate mechanism to help address these shortages, particularly where domestic labour supply has not kept pace with demand.

Franchised new vehicle dealers provide essential transport and mobility services to communities across Australia, which requires sustained investment in a skilled automotive workforce. While more than 100,000 motor mechanics are currently employed nationally, demand for automotive skills continues to grow. Skilled migration has, for some time, assisted in filling vacancies that would otherwise remain unfilled. However, recent changes to migration settings relied upon by the automotive sector have contributed to an exacerbation of existing workforce shortages.

James Voortman
Chief Executive Officer



VALUE OF SKILLED MIGRATION TO THE FRANCHISED DEALER INDUSTRY

The AADA considers that skilled migration delivers ongoing economic and community benefits and plays an important role in supporting workforce participation across key service industries. In the automotive retail sector, skilled migrants contribute directly to maintaining vehicle servicing and repair capacity, which underpins road safety, transport reliability and broader economic activity.

The AADA notes that skilled migrants entering through employer-sponsored pathways typically arrive with proven qualifications and immediate employment. This provides certainty for both employers and employees and supports stable workforce participation. In regional areas, skilled migrants often settle for the longer term, contributing to local economies and communities while supporting businesses that would otherwise struggle to fill vacancies.

A broad range of studies and submissions have demonstrated the positive contribution skilled migrants make to the Australian economy. For example, Commonwealth Treasury analysis of the lifetime fiscal impact of migration found that skilled migrants deliver a strong net benefit. The study identified that skilled migrants have an average aggregate lifetime positive fiscal impact of \$198,141, compared with an average positive impact of \$41,307 across all migration streams.

This is also true for many regional communities, where skilled migration is a mutually beneficial arrangement. Automotive technicians who migrate to Australia and settle in regional areas provide much-needed workforce stability for local dealerships while also benefiting from the lifestyle and community opportunities offered outside capital cities. Regional centres are often attractive destinations due to their lower cost of living and strong sense of community, making them well suited to long-term settlement.

CURRENT SKILLED MIGRATION SETTINGS

The automotive industry continues to experience an acute and persistent shortage of skilled labour, particularly automotive technicians. In 2023, 98 per cent of dealers surveyed by the AADA reported a shortage of available automotive technicians. In the same year, 78 per cent of dealers across more than 200 dealership locations had sponsored skilled migrants to work in their businesses within the previous 12 months, highlighting the scale and severity of the workforce challenge.

Current labour market indicators reinforce these findings, with a search of job advertisements on the SEEK employment platform showing more than 7,000 automotive technician roles currently advertised¹. In addition to the high volume of vacancies, employers are increasingly offering sign-on bonuses of between \$2,000 and \$3,000 to attract new employees. This level of advertising activity indicates strong demand and intense competition for automotive technicians, however, fill rates remain low, with only 38 per cent of advertised motor mechanic roles successfully filled².

Key automotive technician occupations, including motor mechanic (general), are included on the Core Skills Occupation List (CSOL). While AADA supports a rigorous and evidence-based approach to maintaining the integrity of the CSOL, it is important to recognise that formal vacancy data is likely to understate the true extent of skills shortages. Employers that repeatedly advertise without success may eventually cease advertising, leaving positions unfilled but no longer captured in official statistics, and as a result, actual shortages are likely to be more severe than those reflected in published data.

This concern has also been highlighted by the Australian Chamber of Commerce and Industry, which has noted that many occupations no longer rely on conventional advertising channels such as job sites or publications³. Trade roles, in particular, are often filled through informal networks, including word of mouth and personal connections. These recruitment practices are not adequately captured in current skills shortage methodologies, contributing to a significant gap between the skills required by industry and those identified on skilled migration lists.

Given the scale and persistence of skills shortages across the automotive industry, access to skilled migration has become a critical mechanism for employers seeking to maintain operations. For many dealerships, domestic labour supply alone is insufficient to meet demand, making skilled migration an essential complement to local training and workforce development efforts.

However, current skilled migration arrangements are widely regarded as complex, slow and difficult to navigate. The AADA shares the assessment of the Australian Small Business and Family Enterprise Ombudsman that, despite the importance of migration to the Australian economy, the existing system is not fit for purpose. For employers and prospective employees alike, the process is often expensive and administratively burdensome.

Section 3

The AADA considers that access to skilled migration should be streamlined and made easier to understand, with clear pathways that can be followed and tracked through to a timely and predictable outcome. Australia's skilled migration system should support, rather than hinder, employers' ability to respond to genuine labour shortages. Lengthy processing times reduce the effectiveness of skilled migration as a solution to skills shortages, and delays can cause suitable candidates to withdraw or accept opportunities elsewhere, and discourage employers from using the system at all.

SKILLED MIGRATION AND NEW VEHICLE TECHNOLOGIES

Vehicle servicing and repair is undergoing significant change with the introduction of hybrid, battery electric and plug-in hybrid vehicle technologies. As a result, the skills required to work in the automotive industry are evolving, and not all incumbent automotive technicians will choose or be able to retrain in electric vehicle technologies. While it is sometimes suggested that the electrification of the vehicle fleet will reduce maintenance and repair demand, the AADA considers that this overlooks the complexity of modern vehicles.

Although electric vehicles may require less frequent servicing, they are highly advanced and require sophisticated tools and specialised expertise to diagnose faults and undertake repairs. The emergence of multiple powertrain types has effectively removed the ability for vehicles to be serviced or repaired by a do-it-yourself owner or informal mechanic.

In practice, most electric vehicles will be serviced and repaired by franchised dealerships, particularly while under warranty and as new technologies continue to emerge. As the number of these vehicles increases, demand for suitably skilled automotive technicians will also increase. Without access to an adequate pool of appropriately trained automotive trade workers, consumers will experience delays in vehicle servicing and repairs. Where dealerships are understaffed and suitably skilled workers cannot be recruited, productivity in dealer workshops will diminish, reducing the availability of essential automotive services to the community.

VEHICLE SALES AND POPULATION GROWTH

The volume of new and used vehicle sales in Australia has remained strong and continues to grow. In 2024, total new vehicle sales exceeded 1.2 million units, and are tracking in a similar fashion for 2025 while used vehicle sales reached approximately 2.3 million. Over the same period, the number of registered vehicles increased from 19.8 million to 20.4 million. These trends reflect continued population growth, high reliance on private vehicle transport and sustained demand for automotive services across metropolitan and regional Australia.

As the size of the vehicle fleet grows, so too does the demand for ongoing maintenance, servicing and repair. Consumers increasingly expect timely and reliable access to these services in order to support daily mobility, workforce participation and business activity. Meeting these expectations requires a sufficiently skilled and available automotive workforce, particularly in workshop and technical roles.

The AADA considers that without access to an adequate pool of skilled automotive technicians, including through skilled migration pathways, the capacity of dealerships to meet rising service demand will be constrained. This will result in longer wait times for consumers, reduced workshop productivity and pressure on the availability of essential automotive services, particularly in regional and high-growth areas.

In this context, the AADA submits that skilled migration settings must continue to support the automotive sector's ability to respond to population growth and an expanding vehicle fleet. Ensuring access to skilled labour is critical to maintaining service standards, supporting productivity and meeting the ongoing transport and mobility needs of Australian communities.

CONCLUSION

The AADA would welcome the opportunity to discuss these issues further and to continue engaging on practical reforms to skilled migration settings that better support workforce needs and community outcomes.

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REFERENCES

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