

Media Release

Changes to apprentice incentives threaten pipeline of automotive talent

30 April 2024 – The Australian automotive industry continues to suffer from an acute and extended skills shortage. Attracting more apprentices to the sector will reverse the trend yet moves to reduce incentives could stifle apprenticeship numbers.

Lodged today, the MTAA submission to the Australian Government's Strategic Review of the Australian Apprenticeship Incentive System raises the alarm on changes to apprentice incentives and calls for greater support.

The automotive industry requires a strong pipeline of apprentices more than ever. With the sector facing a deficit of over 38,000 automotive technicians and apprenticeship commencements not meeting current or future industry demand, any changes to apprentice incentives must not be made in haste.

The MTAA is calling on the Australian Government to extend the current apprenticeship incentive program set to end in June 2024. The existing program has been highly successful in driving apprentices and trainees into the automotive industry and encouraging business to invest and employ more apprentices.

Before any move to reduce incentives, at least 12 months is needed for the Australian Government and industry to work together on a new apprenticeship incentive scheme.

Changing or removing the existing scheme will de-incentivise small businesses to invest and employ more apprentices. This is particularly important in a time of disruption to the sector supports the growing number of electric vehicles on the roads which require specialised skills.

Primarily, MTAA advocates for an incentive system that provides assurance and stability to businesses and encourages them to reengage in the apprenticeship and traineeship system.

Over 95 per cent of the Australian automotive industry is small and family-owned businesses with these businesses employing the majority of apprentices. Investing in apprenticeships is both time consuming and costly making the current incentive scheme critical as the incentives help offset additional costs.

MTAA CEO, Matt Hobbs said: "Our members want to attract, invest in, and foster new talent, and ultimately prepare their business for the biggest transformation facing their sector – the advent of EVs – yet these changes are creating uncertainty when the industry needs to focus on innovation.

Just like it did with the New Vehicle Efficiency Standard (NVES), we ask the Government to work with us on finding the best outcome for the sector and arrive at a solution that motivates businesses to employ more, not less, apprentices."

The MTAA membership has a proud history in supporting and developing apprenticeship and traineeship programs over many years. This includes 1000's of automotive small businesses who employ apprentices across Australia, creating a pipeline of talent to meet the future needs of the Australian automotive industry.

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