

## GOVERNMENT REQUEST

# EXPAND AUTOMOTIVE SKILLS & TRAINING SUPPORT

The Australian automotive sales, service, and repair industry depends on skilled tradespeople trained through apprenticeship pathways. However, the sector faces significant skills shortages, especially as it transitions to zero and low emission vehicles (ZLEVs).

These shortages are especially pronounced in regional areas, with Australian Government projections indicating over one million ZLEVs on Australian roads by 2030, increasing the demand for skilled labour. More action is needed to develop a skilled workforce focused on EVs.

### Encourage young people into automotive careers

Attracting young people to the automotive sector is crucial for addressing long-term skills shortages. School Pathways Coordinators work with secondary schools to promote automotive opportunities, but additional government support is needed for a national program to reach more schools, especially in regional areas.

### Retain automotive apprentices

Retaining apprentices through to completion remains a challenge, with national data indicating that only one in two apprentices completes their training. Establishing a federally supported, industry-led mentorship scheme is vital to improve completion rates and ensure apprentices are well-prepared for the workforce. Previous Australian Government/industry association partnered programs of this type have been highly successful.

### Increase the employer-apprentice hiring incentive

The Priority Hiring Incentive has decreased from a maximum of \$15,000 to \$5,000. We recommend reinstating the \$15,000 hiring incentive, linked to retention, to encourage employers to take on and train apprentices.

### Reduce the training levy for automotive employers

The MTAA supports reducing the training levy by half for employers who demonstrate a strong investment in training or sponsored skilled migrants. This move would help the industry invest in workforce development.

### Support mature-aged apprentices

An increasing number of apprentices in the automotive industry begin their training as adult apprentices.

These apprentices create a compounding wage burden for employers that often acts as a disincentive to take adult apprentices on or keep them for the full term of their apprenticeship. We recommend tax incentives or direct subsidies to alleviate the costs associated with their employment.

### Provide support for existing and emerging workers

Funding is needed for coordinated skilling pathways, including Recognition of Prior Learning (RPL) and the development of EV skill sets. The VET Workforce Blueprint should prioritise recruitment challenges in the attraction of automotive trainers, and the Government should work with industry to streamline the assessment of skilled migrants' qualifications.

## RECOMMENDATIONS



**Fund an industry-led mentoring program** to increase apprentice completion rates, focusing on inclusivity



**Commit to funding national industry school pathway programs** led by automotive employer groups



**Halve the Skilling Australians Fund Levy** for businesses that invest in training by employing apprentices and sponsoring skilled migrants



**Ensure the VET Workforce Blueprint prioritises recruitment challenges** for automotive trainers



**Increase the Priority Hiring Incentive** back to \$15,000 and link it to apprentice retention