Key research findings

- Labour shortages have been reported frequently in the automotive trades since 2007, with shortages in some occupations persisting for decades. In 2018, for the fourth consecutive year, all occupations assessed were found to be in shortage (see Figure 1), with the labour market tightening further (see Figure 2).
  - Employers had the lowest average number of applicants per vacancy since 2008.
  - The proportion of vacancies filled and the number of suitable applicants per vacancy are the lowest in the series (dating back to 2007).
  - Moreover, 51 per cent of employers did not attract any suitable applicants for their advertised vacancies, the highest percentage since at least 2011.
- Compared with 2017, tighter labour market conditions in 2018 were apparent in the majority of states and territories and across capital cities and regional areas.

Recruitment difficulties

- Almost all surveyed vacancies required trade qualifications, and the lack of a qualification was the most common reason for applicants being unsuitable.
- Around 62 per cent of trade qualified applicants, however, were also unsuitable. The main reasons for unsuitability were:
  - lack of sufficient general or specific experience
  - inadequate technical skills or the production of substandard work
  - poor job application (e.g. unsatisfactory referee reports or patchy work history).
- There was also a number of applicants who, despite having the required skills and experience, were not hired as they could not agree on remuneration.
- Other factors contributing to recruitment difficulties included the requirement for specialised skillsets, such as experience working on particular types of prestige cars, and the remote location of the employer’s workplace.
- Additionally, some employers reported difficulties attracting young people to apprenticeships.

Supply and demand trends

- Indicators of the demand for automotive trades workers are mixed, while new supply to these occupations has fallen in recent years.
- The number of internet advertised vacancies for the automotive trades increased by 19 per cent in the year to December 2018 and is now at a series high.
- Employment of automotive trades workers fell by around 1 per cent in the year to November 2018, but was 5 per cent higher than five years ago.
  - The Department projects that employment of automotive trades workers will decrease slightly (by 1.1 per cent) over the five years to May 2023. Employment across all occupations, by comparison, is projected to grow by 7.1 per cent.
- Over the five years to January 2018, the number of registered motor vehicles in Australia increased by 11.6 per cent to 19.2 million. The number of new motor vehicles sold in 2018 (1.15 million), however, was 3 per cent lower than 2017.
- There were around 5500 apprenticeship completions in 2017-18, representing a substantial fall from the most recent peak of 7600 in 2013-14.
- Apprenticeship commencements, however, increased by 9 per cent in 2017-18, which suggests possible future growth in new supply.

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1 The methodology for this research is outlined at Skill Shortage Research Methodology | Department of Jobs and Small Business. Visit the skill shortages website for more detailed information on each occupation in this cluster.

2 Sources: Department of Jobs and Small Business, Internet Vacancy Index; ABS, Labour Force, Department of Jobs and Small Business trend; Department of Jobs and Small Business, Occupational Projections to May 2023; ABS, Motor Vehicle Census, January 2018; FCAI, Sales down in challenging 2018 Environment, 4 January 2019; NCVER, Apprentices and Trainees, June 2018, estimates (limited to certificate III)
Figure 1: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), and national rating, Automotive Trades, Australia, 2018

Figure 2: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), Automotive Trades, Australia, 2007 to 2018