



6th October 2015
Research Director
Education, Tourism and Small Business Committee
Parliament House
George Street
Brisbane Qld 4000

Email: ETSBC@parliament.qld.gov.au

Dear Research Director

Re: Jobs Queensland Bill 2015

1. Introduction

1.1 The Motor Trades Association – Queensland (the MTA Queensland or the Association) responds to the Queensland Parliamentary Education, Tourism, and Small Business Committee invitation for views pertaining to the *Jobs Queensland Bill 2015* (the Bill). The MTA Queensland's comments are on behalf of its constituent divisions and are confined to issues which relate to the interests of the Queensland automotive value chain.

2. Context

2.1 The Association recognises that the Bill has its genesis in the State election *Working Queensland* policy of the now Government which has a mandate to implement it. We note that the objectives of the Bill include:

- to establish Jobs Queensland as an independent statutory entity
- to provide strategic industry-led advice to government on skills demand and long-term workforce development and planning, with a focus on making the Queensland vocational education and training (VET) sector the strongest and most productive in Australia.

And that for industry and employers, the new entity will:

- provide the opportunity to inform government of the strategic skills they need to grow their business in the medium to long term;
- reinstate the independent voice of industry on skills in Queensland; and
- assist with the development of medium to long term workforce planning.

The Association notes that the Government is committed to ensuring apprentices and trainees make up 10 per cent of the workforce on large government projects. In Aboriginal and Torres Strait Islander communities, projects must commit to making up 10 per cent of its total labour hours by employing Indigenous workers.

2.2 The MTA Queensland has much interest in this Bill as a key objective in the Association's constitution is:

“to participate in, promote and encourage all forms of education and training supportive of the development of the motor vehicle industry”.

For that reason, the Association in 1975 established a small member focused operation which has grown into the now MTA Institute of Technology (MTAIT) - a registered training organisation. At June 2015, it had 29 per cent of the automotive apprenticeship market delivering qualifications across the State. In the past year, over 600 certificates were issued across Queensland to students who had finalised their apprenticeship or by recognising industry experienced workers who had not been previously acknowledged for their trade.

2.3 The MTAIT is on the State Governments preferred supplier list and holds contracts for User Choice and Certificate III Guarantee. The MTAIT programs include:

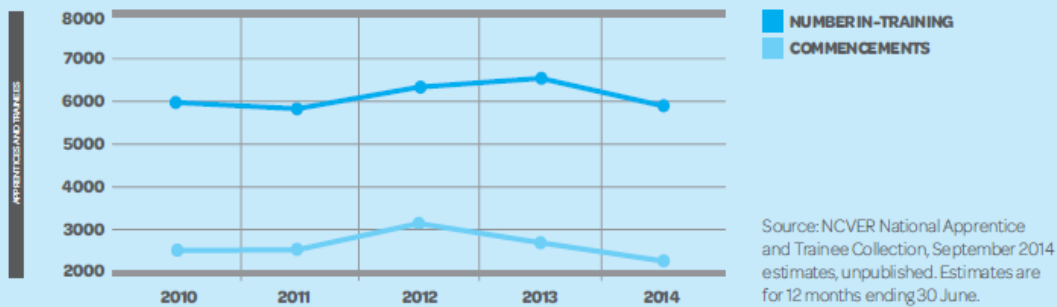
- the National Workforce Development Fund (NWDF) programs that includes the Diploma of Management and the Structural Repair Skill Set for the Collision Repair industry. The completion of the NWDF will result in over 150 students undertaking/completing courses.
- The AccelR8 Program (VETiS) to assist the transition of grade 12 students into an apprenticeship after completing their final school year. The overall aim is to help successful students acquire the necessary points towards their Queensland Certificate of Education and enter the workforce.

2.4 Through the Automotive Mentor Advisor Apprenticeship Program (MAAP), the MTA Queensland has promoted the automotive industry to the broader community by presenting at career expo's and industry events. Over the year, Queensland advisers had delivered the "MAAP message" to over 7,500 recipients; 5,000 school students, attended 25 Careers expo's, conducted 85 group information sessions, contacted more than 500 employers and 1,500 teachers, parents and trainers. The mentors have guided over 450 apprentices through their first year of an apprenticeship recording a huge retention rate of 95% of apprentices in the program continuing into the second year.

2.5 The MTA Queensland, through Skilling Queenslanders for Work, has been approved to deliver its "Auto Initiation" program providing participants with the fundamental skills required to work in the automotive industry and the opportunity to gain a Certificate II in Automotive Vocational Preparation. The nine-week course offers comprehensive training in the basics of the automotive mechanical trade and coaching in 'life skills' – elements crucial to success in the move into a full-time working environment. Together with two-weeks of work experience, the Auto Initiation program offers participants a true grounding in the industry and a supportive and encouraging environment in which to flourish.

2.6 These are positives and equally, there are concerns. Across jurisdictions including Queensland there has been erosion in apprenticeship and training commencements. This is highlighted in the graph below.

Figure 14: Apprentices and trainees, AUR Training Packages, Queensland.



1

2.7 Jobs Queensland comes at a critical time for the Queensland economy with unemployment stubbornly high at 6.5 per cent (sa) at August 2015. Youth unemployment state-wide stands at 14.1 per cent and as high as 22 per cent in the Cairns and Wide Bay regions. Generally, all economic indicators are subdued.

2.8 The Minister for Training and Skills the Hon Yvonne D’Ath, in introducing the Bill stated that the “establishment of Jobs Queensland will allow for a focused effort on workforce planning and engagement across a range of industries in Queensland. Funding of up to \$10 million per annum has been allocated to establish and operate Jobs Queensland.” We are of the view that Jobs Queensland with other elements of the *Working Queensland* policy as it applies to the private sector automotive value chain has the potential to assist with job generation across the State.

2.9 The MTA Queensland is generally supportive of Jobs Queensland. Ultimately, however, real jobs with real employers are generated in the private sector and the automotive value chain can contribute to this process. To do this there needs to be liaison with the MTA Queensland to coordinate opportunities to harness potential and to apply training funding to meet the needs of the state economy.

2.10 It would be disappointing if Jobs Queensland as a statutory authority, would degenerate into a bureaucratic body replicating other established public sector agencies and creating more red tape for employers at a time of rising business and administrative costs. While the MTA Queensland acknowledges the facilitator and planning role of Jobs Queensland, ultimately the level of employment in any sector will be determined by economic conditions, economic policy settings and most particularly by effective aggregate demand.

3. Queensland’s automotive value chain

3.1 The automotive value chain includes motor vehicle and motor vehicle parts manufacturing; motor vehicle and motor vehicle parts wholesaling; motor vehicle, parts and tyre retailing, automotive repair and maintenance, agricultural, mining and lifting machinery; fuel retailing; motor vehicle hiring and outdoor power equipment.²

¹ See Automotive Environmental Scan 2015, Auto Skills Australia, Australian Government, Department of Education and Training, 2015, p. 37.

² Ibid. p. 5.

3.2 A snapshot of Queensland’s automotive value chain for 2013-2014, indicates that some 92,500 people were employed, had a motor fleet of about 3,750,000 with an average age of 9.6 years and business numbering some 13,800. Key occupations included:

- automotive electricians some 2,000
- motor mechanics some 18,000
- panel beaters some 2,700
- Vehicle painters some 2,900
- Vehicle parts salespersons some 9,300³

3.3 An ongoing issue for the Queensland automotive value chain is skills shortage. For example the demand for skills is highlighted in the 2015 Automotive Environmental Scan Survey (modeled ABS labour force data):

Sector	Occupation	Estimated shortage number
Automotive Repair & Maintenance	Light vehicle mechanic	921
	Diesel Motor mechanic	138
	Panel beater	397
	Vehicle painter	295
	Automotive electrician	135
	Transmission mechanic	50
Motor vehicle & parts wholesaling	Spare parts interpreter	112
	Parts salesperson	65
Motor vehicle parts and Tyre retailing	Spare parts salesperson	62
	Spare parts interpreter	81
Vocational Education & Training	Automotive teacher	Reports of shortages across providers ⁴

Overall, 33% of Queensland survey respondents reported experiencing skill shortages within the occupations identified above. Over the next 12 months, 43% of all respondents indicated that they expected to be affected by skill shortages.⁵ These skills shortages form the substance for liaison with the Jobs Queensland.

3.4 Anecdotally and as reported in the Automotive Environmental Scan, the downturn in the resources sector has led to some movement of motor trades labour towards the automotive sector but the transition has not been smooth. The view was that trades people such as diesel fitters (mobile plant technicians) were struggling to cope with the diagnostics skill requirements. This is due to these tradesperson while working in the resources sector were primarily replacing parts and are challenged for diagnostic jobs or when called to fix vehicles or machinery on the side of the road or in the workshop.⁶

³ Ibid. p. 36.

⁴ Ibid. p.39.

⁵ Ibid.

⁶ Ibid. p.40.

3.5 We draw attention to two matters that the future Jobs Queensland could facilitate a resolution in its workforce development and planning role. As exemplified in the above table there are skills shortages in several occupations. The MTA Queensland has long been frustrated by the data methodology utilised by Government departments and agencies which overlooks and underestimates the skills requirements for the automotive value chain.

3.6 The data – the one-digit Australian and New Zealand Standard Industrial Classification (ANZSIC) industry division and the one-digit (Australian and New Zealand Standard Classification of Occupations (ANZSCO) occupation level – represent a very broad aggregation. Details on the automotive value chain (and indeed other individual industries) are enumerated across seven (7) or more ANZSIC divisions and five (5) or more ANZSCO major groupings. This means that when analysis is presented at a one-digit level employment, the automotive sector is lost or effectively hidden in other classifications. In turn, this has the potential to have a serious consequence for the automotive value chain skills requirements in the government decision making process with the sector either overlooked or under estimated.

3.7 This issue is highlighted in the 2015 Automotive Environmental Scan concerning the limitations of these industry and occupational classifications which “work poorly for the automotive industry.” ... “The rapid pace of technological change in motor vehicles and the ever-changing job roles have eroded the relevance of (some) classifications. While past dialogue between Auto Skills Australia and the Australian Bureau of Statistic has indicated that a major structural review of ANZSCO is scheduled for 2016-17, this is by no means a certainty. It is quite probable that automotive and many other industries will have to rely on these antiquated statistical classifications for the foreseeable future. This necessitates the use of complex and time-consuming methodologies to estimate values for different sectors.”⁷

3.8 The second matter relates to the Queensland Skills Gateway Website which concentrates the automotive trades into the Retail Trade cohort. For prospective students with an interest in the skills pertaining to automotive trades, the classification is oblique and an impediment. As a training entity working with employers to deliver the skills they require for the value chain and the wider economy, it lessens MTAIT’s reach to students who may seek automotive skills. The website, by obscuring the skill requirements for automotive trades for prospective students diminishes job creation across the trades. The website should be more accommodative of the motor trades and Job Queensland in its workforce development and planning role may consider this issue.

3.9 We note the statement in the Explanatory notes that “broad employer consultation will help small, medium and large entities, from across Queensland, contribute towards advising government on skills and workforce development and planning matters”. We submit that the MTA Queensland as the peak body for the motor trades should be an entity with which Jobs Queensland consults. It is representative of small and medium businesses across Queensland. The automotive trades are not inconsequential skills. For example the vehicle transport logistics for the tourism, mining, retail, service and professional sectors rely on the automotive trade’s skills to keep engines and wheels moving.

4. Summary

4.1 The MTA Queensland is generally supportive of Jobs Queensland and is of the view that Jobs Queensland with other elements of the *Working Queensland* policy as it applies to the automotive chain

⁷ Ibid. P. 5.

has the potential to contribute to job generation across the State. Ultimately, however, real jobs with real employers are generated in the private sector and the automotive value chain can contribute to this process. To do this there needs to be liaison with the MTA Queensland to coordinate opportunities to harness potential and to apply training funding to meet the needs of the state economy.

4.2 It would be disappointing if Jobs Queensland as a statutory authority, would degenerate into a bureaucratic body replicating other established public sector agencies and creating more red tape for employers at a time of rising business and administrative costs. While the MTA Queensland acknowledges the facilitator and planning role of Jobs Queensland, ultimately the level of employment in any sector will be determined by economic conditions, economic policy settings and most particularly by effective aggregate demand.

4.3 Attention is drawn to two matters that the future Jobs Queensland could facilitate a resolution in its workforce development and planning role.

(1) The data methodology (industry and occupational codes) utilised by Government departments and agencies overlooks and underestimates the skills requirements for the automotive value chain.

(2) The Queensland Skills Gateway Website concentrates the automotive trades into the Retail Trade cohort. For prospective students with an interest in the skills pertaining to automotive trades, the classification is oblique and an impediment. The website should be more accommodative of the motor trades with its own classification.

4.4 The MTA Queensland as the peak body for the motor trades and with a registered training organisation (MTAIT) should be an entity with which Jobs Queensland liaises.

5 The MTA Queensland background

5.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of the automotive industry located in Queensland. The 2015 Automotive Environmental Scan data indicates that there are some 13,800 automotive value chain businesses operating within the State employing in excess of 92,000 persons.

5.2 It is an industrial association of employers incorporated pursuant to the *Industrial Relations Act* of Queensland. The Association represents and promotes issues of relevance to the automotive industries to all levels of government and within Queensland's economic structure.

5.3 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering all aspects of the retail motor trades industry through the MTAIT. It is the largest automotive apprentice trainer in Queensland employing 35 trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTAIT last financial year accredited courses to in excess of 1600 apprentices and trainees.

6 Conclusion

6.1 We would be please to provide further comment on any matters in our submission that may require further clarification or amplification.

Thank you for your consideration.

Yours sincerely



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