



27th September 2019

Director
Apprenticeships Framework Policy
Department of Employment, Skills, Small and Family Business
10-14 Mort Street
Canberra ACT 2601

Email: nsnlreview@employment.gov.au

To: Director Apprenticeships Framework Policy

Re: Review of the Australian Apprenticeships National Skills Needs List

1.1 Introduction

1.1 The Motor Trades Association Queensland (MTA Queensland or the Association) responds to the *Review of the Australian Apprenticeships National Skills Needs List Issue Paper* (the Paper) by submitting the views it has formed for consideration.

2. Context

2.1 The MTA Queensland's views are presented in the context of its associated operating Registered Training Organisation the MTA Institute (MTAI). This entity originated in 1975 when the Association established a dedicated training entity to provide the sector with the skill sets required to meet current and forecast demands. In 1997 as a consequence of the deregulation of the vocational training market, the MTAI became an RTO servicing the field of vocational education of automotive traineeships and apprenticeships.

2.2 Over the past 44 years, the MTAI has expanded and enhanced its operations to be the premier provider of automotive vocational training in Queensland delivering leading edge courses to students and providing the automotive value chain and industry with a skilled workforce. At the 2019 Queensland Training Awards presentations, the MTAI received recognition as the leading Small Training Provider of the Year.

2.3 To assist the automotive value chain with accessing the necessary skill sets and to up-skill the workforce, the MTA Institute provides accredited apprenticeships and traineeships for each of the primary sectors comprising the value chain. Additionally, it delivers accredited short courses, gap training and other non-accredited industry courses to meet the collateral demands of the consumer/client base and the requirements generated by technological and workplace evolution.

Motor Trades Association Queensland

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3. Preamble

3.1 The automotive value chain faces the most profound changes in meeting future demands for human capital of any sector in Australia's economy. The extent of technological disruption and simultaneously a need for the most extensive business reorganisation in the sector's history will put unique pressures on the systems that deliver the skill sets that support Australia's main transportation logistics.

3.2 Over the next decade and beyond, the national and state automotive value chains will experience arguably the most severe technical disruptions of any sector in Australia's economy with the widespread uptake of battery electric vehicles (BEVs) and especially the broad introduction of plug-in-electric vehicles (PIEs). Superimposed on this technical revolution will be the implementation of multiple levels of autonomous operating vehicles.

3.3 If spatial equality is to be maintained in Australia's economic geography that is dominated by vast land transport distances and decentralised regional and remote communities, the transition to electric and alternative energy, private and commercial transport will have to be achieved sensitively, effectively and efficiently. There will be a need to continue support for internal combustion engine transportation infrastructure while at the same time delivering a parallel infrastructure that will service electric alternate powered and autonomous vehicles. These parallel infrastructure requirements will include facilities to repair and service both traditional and alternative fuelled vehicles and there will be a requirement for a restructure of human capital to deliver these maintenance programs.

3.4 The MTA Queensland has been closely monitoring the future demand and supply needs for this sector. The view has been formed that a near irrefutable case exists for major investments, reforms and restructures to the formation and delivery of human capital for the automotive value chain.

4 Design principles

4.1 In general terms, the six design principles outlined in the Paper have a sufficient competence to form a comprehensive basis for a methodology to identify occupations in skills shortage and allocate apprenticeship incentives equitably and efficiently.

4.2 In view of the anticipated technological turbulence that will impact national transport logistics and consequentially the automotive value chain, the MTA Queensland would rank a methodology based 'forward looking' criteria as having the relevant competencies to meet the forecasting challenges of future skills demands in this sector.

5 'A forward looking skills shortage methodology'

5.1 In terms of the motor trades, the MTA Queensland is supportive of 'aligning incentives to expected future shortages (which) would have the benefit of providing a signal to individuals seeking to invest in skills development about the occupations that might deliver better prospects for employment stability and income growth.'

5.2 A medium-term outlook of 'three to six years' specifically for the motor trades is limiting. It is estimated that by 2025 there will be 230,000 electric vehicles on the nation's roads and this is expected to increase exponentially to exceed one million by 2030. This suggests the methodology for determining the time period for which incentives will apply should be based on longer time horizons. Further as the demand for traditional mechanical skills contract, incentives to allow reskilling human capital to contemporary technologies e.g. electric vehicles should be built in at the front end of programs applying in this sector.

6. Other viewpoints

6.1 We take the opportunity to raise issues seemingly outside the scope of the paper. These are:

6.1.1 Entry points into an automotive apprenticeship from school lacks transparency. The general view is that there is a need for these to be promoted and highlighted. Vocational education and training in schools is one of these entry points and industry has reported there is a predisposition that highly credentialed applicants are not entering the industry through this trade pathway due to a lack of definition about the prerequisites for applicants to succeed in this vocation.

6.1.2 Students considering an automotive trade apprenticeship must have both the aptitude and the attitude to succeed. The Professor of Adult and Vocational Education Griffith University, Stephen Billett indicated that 'Australia needs exceptional technical, trade and service workers whose skills are developed through effective occupational preparation. (The Conversation: *We need to change negative views of the jobs VET serves to make it a good post-school option*, October 4 2018).

6.1.3 Based on experience as an RTO, the MTA Queensland has formed the view that to achieve the aptitude and the attitude there must be a paradigm shift towards a secondary school student having the pre-requisite knowledge of the academic requirements (science, technology, english and mathematics (STEM)) to enter the trades equivalent to those required to matriculate for an undergraduate qualification and to have the confidence to apply for an apprenticeship. Tertiary entrance considerations or rankings are not relevant for students to enter a technical course or apprenticeship. Schools do not effectively promote the skills requirements or the academic qualifications required for students to enter the trades.

6.1.4 The most appropriate way to address the forecast deficit of priority skills over the long-term, would be to develop a defined pathway for desiring secondary school students to be inducted directly into the apprenticeship and traineeship system.

6.1.5 The MTA Queensland suggests that the following issues be considered as the baseline for students seeking to enter the motor trades:

- the pre-requisite academic requirements e.g. the foundation skills of literacy, numeracy and digital proficiency for a secondary school student to enter or complete a trade apprenticeship; and
- resourcing the apprenticeship and traineeship system with the learning environments and instructors with skill sets to equip students for the new industry dynamics which includes the emerging technologies, diagnostics, digital literacy, innovation, and automation.

6.2 It is important that the Incentives for Australian Apprenticeships program are sustainable over the longer term and not sacrificed to budgetary cycles and changes in fiscal priorities. The future business models in the automotive sector requires certainty and predictability and should not be the subject to the vagaries of the budget process and fiscal priorities.

7. The MTA Queensland background

7.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State.

7.2 There are some 15,500 automotive value chain businesses employing approximately 88,500 persons generating in excess of \$20 billion annually. It is an industrial association of employers incorporated pursuant to the *Fair Work Act* 2009. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

7.3 Australia's first automotive hub, the MTA/Q, has been established in specifically designated accommodation at the corporate office. The hub is an eco-system that supports innovation for the automotive industry.

7.4 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket phases of the motor trades industry through the MTA Institute. It is the largest automotive apprentice trainer in Queensland employing trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTA Institute last financial year provided accredited courses to in excess of 2000 apprentices and trainees.

Thank you for your consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brett Dale", is positioned above the typed name.

Dr Brett Dale DBA
Group Chief Executive Officer
MTA Queensland