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Media Release



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Transformation to electric, connected, and autonomous mobility under threat

According to a major report into the nation's automotive industry, Australia's transition to electric, connected, and autonomous mobility faces threats from severe skill shortages, structural adjustment across 13 industry segments and a lack of cohesive national planning.

'*Directions in Australia's Automotive Industry*', developed and released by the Motor Trades Association of Australia (MTAA) and State and Territory Member Associations, confirms the urgent need for a national plan to manage the transformation of the current 20 million-strong national vehicle fleet away from dominant internal combustion engines (ICE).

Key findings include:

- In 2020, **916,968** new vehicles and approx. **3.7m** used vehicles were sold, with an estimated **762,000** vehicles coming off Australian roads and scrapped between 2019 and 2020. The nation's vehicle fleet age increased to 10.4 years.
- Record **shortage** of **31,000** skilled automotive professionals.
- Slight increase in overall employment to **385,000**.
- **96.6%** of more than **75,000** all automotive enterprises are small, family-owned businesses. Significant growth in sole traders.
- Automotive exports increased, and imports decreased, reflecting ongoing disruptions to automotive supply chains due to COVID-19, particularly for new vehicle stock, parts, and accessories
- COVID-19 recovery better than anticipated, with the second-highest industry (**66.2%**) take up JobKeeper support initiatives.
- Take-up of electric vehicles single most significant challenge facing all auto industries.

Skills shortages were the worst recorded, with a deficit of 31,000 positions to what the industry needs today. A lack of access to skilled migrants and the first noticeable internal redistribution of skilled automotive labour from small businesses to sole traders is placing severe strain on service delivery. Ongoing COVID-19 related delays in supply chains were evident, with automotive imports decreasing \$5.7b or 14.1% over 2018/19 levels.

While lagging the international uptake of electric vehicles (EV), '*Automotive Directions*' highlights the significant impacts the ongoing transformation of the national fleet to EVs will pose. Traditional automotive businesses that can adapt will likely incur an average investment of almost \$80,000, with additional training and on-costs, while absorbing a 42% reduction in revenue from traditional ICE vehicle service and repairs.

The report's observations and findings back the need for a consistent, coordinated, national plan to address current skills shortages, identify and facilitate emerging jobs /skills/ qualifications and manage industry and business transition opportunities. It must also remove the vacuum currently being filled with piecemeal populous jurisdiction policy in areas such as EV subsidies, partial user-pay systems, tax grabs, and the use and regulation of autonomous vehicle systems.

Summary document – click [here](#)

Full Report – click [here](#)

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MTAA Member Associations

