

Victorian Automobile Chamber of Commerce

Submission to the Joint Standing Committee on Migration

**Inquiry into Skills Recognition, Upgrading and
Licensing**



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The Victorian Automobile Chamber of Commerce is an employer organisation with a membership of 5000 employers in the retail motor industry in Victoria and Tasmania. VACC together with our sister organisations in every State and Territory, the Motor Trade Associations represent collectively some 14,000 businesses. VACC and the MTAs regularly converse on matters pertaining to skill shortages.

The Retail Motor Industry is predominantly comprised of businesses in the retail, service and repair sectors of the automotive industry, with a smaller number of businesses engaged in manufacturing or wholesaling activities.

The vast majority of members of Motor Trades organisations are small businesses (90% of members employ less than 20 staff) and 43% of members are located in rural and regional Australia.

According to the most recent ABS data, there are 66,214 Retail Motor Industry businesses that employ 285,850 workers, with an average of four employees per business (June 2001 Australian Business Register, ABS unpublished data).

Skills Shortages and Technology

The retail motor industry has experienced for some time severe shortages of skilled trades people. Skilled labour shortages have affected the industry at varying levels since the early 1990s. National data on skill shortages and the concerns raised by members confirms the growing skill shortage problems in both the metropolitan and regional areas of Australia.

The industry relies heavily on trade based apprenticeship or traineeship qualifications as its underpinning skills development and recognition platform. New and constantly changing technologies, found in modern motor vehicles, continue to change the nature of skills development in the sector and the degree to which existing employees can work effectively on new vehicle technologies without on-going skill and knowledge development.

The types of technologies and training required to maintain Australia's commercial and domestic vehicle fleet is changing. The skills required by the industry are shifting to meet the needs of hybrid vehicle maintenance and diagnostic systems.

The rapid technological change is resulting in increased competition between businesses and changes in jobs and skills. Consequently, the industry is also experiencing segmentation in terms of types of business, their relevant skills and career paths.

The conventional labour supply into traditional trades has been the youth labour market. With the shrinking of the youth labour market, the industry is exploring other labour sources. VACC is currently piloting a fast track apprenticeship and traineeship program for mature employees. Many of the employees forming the pilot project are either recent migrants or mature employees that have some automotive experience or skills in a related technical area but have not previously completed formal training in automotive. The MTA WA is piloting the introduction of mature aged employees into semi skilled occupations. Employers in the industry are also tapping into the potential labour source of employer sponsored skilled migration.

Recent research conducted by VACC through the Centre for Workplace and Culture Change with the support of the Enterprise and Career Education Foundation, into skills and segmentation in the retail motor industry, examined changes in skills, jobs, careers and labour market issues over the next 3-5 years. The research findings are already assisting the industry to target skill needs based on the segmentation that is occurring in the industry. Other research of employers confirms that regional areas of Australia that rely on traditional trades, more acutely feel the effects of the shortage of a skills labour supply and the difficulty in retaining young graduates in regional areas.

Like most industry, the retail motor industry is becoming more global with direct influences from international developments and brands. In addition, the industry is experiencing rapid technological change. These developments influence the decisions of employers when considering employment of overseas trained personnel. Employers in the industry have a preference to employ from the Australian labour market, and consider recruiting from overseas as a last resort.

Australia's Current Overseas Skills Recognition Arrangements

VACC recognises the importance of skilled migration, particularly in the area of automotive trade skills. Whilst migration of skilled personnel can enhance the quality of Australia's labour force, an improper process can be dissatisfactory for both the immigrant and the business community.

Trades Recognition Australia (TRA), part of the Commonwealth Department of Employment and Workplace Relations is the assessing authority for a range of trades. The TRA provides the potential immigrant with the skills assessment form and then applies an assessment process. However, the potential immigrant may also be required to submit to the assessment criteria of certain professional or industrial bodies for certain occupations. The list provided through the Workplace.gov.au web site refers to the Association of Australasian Diesel Specialists for the occupational classification of Automotive Tradesperson. This Association sends a paper based exam which concentrates primarily on qualifications/ experience in turbo charging and fuel injection.

VACC has some concern over the use of paper based methods of assessment as in most cases, a practical assessment of skills will more accurately ascertain one's skill particularly if those skills are allegedly attained through work experience only or in a country where the training is not easily recognisable. On a practical level VACC questions whether an assessment process which relies on the honesty of the individual can be confidently relied on.

The secondary issue concerning the assessment of skills which are provided via the internet or in paper form is the question of whether the qualifications, references etc are in fact genuine "certified documents". VACC has seen "certified documents" which contain signatures and no clear identifiable markings that the certifying officer is one of the recognisable officers provided by our guidelines. It is difficult to verify that the documents are "certified". Documents have been received that do not have any apparent official letterhead. VACC is of the view that candidates should be encouraged to present references, particularly where it is alleged that experience is on current vehicles. With the reliance on brand retailing, it would be expected that

company letterheads would depict registered trade marks. Certainly when assessing a candidate's application these documents would assist the assessment process.

A further relevant point is that the current process of assessment may exclude potential competent tradespeople simply because they are unable to provide written references or documentation to validate their competence. For that reason a form of practical assessment would be a fairer process.

The experience of employers in the industry demonstrates the most successful of recruitment strategies is where reliable resources are placed in the country to enable both a practical assessment and the capacity to verify qualifications and experience. A reliable method of verification and practical assessment is not possible from Australia. This process however, is a costly one which for most employers is not possible. One VACC member, a large size member, after failing to recruit welders in Australia has set up a process in China to assess in practical terms levels of competency and has a reliable means of assessing qualifications. The member justifies this process despite the cost, due to the number of tradespeople being recruited. All immigrants being supported by this employer are with the intention of providing long term employment and ultimately sponsorship for family members after 12 months employment. Most employers in the retail motor industry are small employers with less than 10 employees, therefore the prospect of setting up networks or assessment structures overseas are beyond their reach.

VACC is of the view that through a collaborative process with Government some level of structure could be arranged in overseas countries in order to accurately assess the genuineness of qualifications, employment histories, references and importantly assess competence on a practical level. In countries where professional bodies or employer organisations exist there may be scope bring together a co-operative approach.

VACC has had experience in assessment of overseas qualifications with the National Office of Overseas Skills Recognition (NOOSR)/ Trades Recognition Australia (TRA). This experience has demonstrated that the capacity to assess the skills and training of individuals trained in the UK, US and Western Europe is significantly easier due to the similarity of qualifications, educational structures and educational/ training guidelines with Australia. These regions have similar technical training institutes,

formal apprenticeship programs that of a similar period and their certificates are easier to assess.

The experience with underdeveloped countries is a difficult process as educational and social structures are most often unlike those in Australia. A Degree qualification cannot be assumed to be the same level of Degree qualification as in Australia.

The retail motor industry asserts that the skills required for the industry is not just a qualification but a demonstrated competency level, which invariably requires practical assessment.

For many trade occupations, employers have also commented that a comprehension of English is also required. As the technology is rapidly changing and the fact that Australia's fleet of vehicles ranges from older to very current vehicles, tradespeople are often required to be competent in researching technical details in manuals or to communicate with manufacturers.

Time again through industry research automotive industry employers believe that the compulsory education system (primary and secondary) is failing to meet student and industry needs in three key areas. They are:

- i) industry technology awareness
- ii) literacy
- iii) numeracy

Consequently, it follows that potential immigrants must also have levels of competence in industry technology awareness, literacy and numeracy.

The availability of semi skilled occupational pathways is rapidly diminishing with changes in technology and work practices, this makes the selection process of potential immigrants quite important. Some experiences of dealerships that have recruited recent immigrants with mechanical trade qualifications from underdeveloped countries have found that their level of diagnostic competence in current vehicles is insufficient. As a result, these individuals have been relegated to work of a process nature, this has been an unsatisfactory outcome for the dealership and the immigrant.

Temporary Visa

An option raised for consideration by the industry is that a form of temporary Visa is permitted for a period of six months for those that appear are deemed “qualified” by the TRA. VACC understands that a form of short term Visa is already provided, that also enables the removal of the Visa in certain circumstances. A temporary or short term Visa would enable a practical assessment on entry to Australia and the opportunity to find employment. Having satisfied the necessary qualifications and competency the immigrant after a period of time would qualify for permanent residency.

Australia despite seeking qualified personnel in various positions for immigration is not always capable of finding employment in their area of expertise. VACC believes that research is necessary to identify the reasons for this predicament. If this experience continues or is common, the immigrant becomes dissatisfied with their decision to migrate to Australia. Some level of support is required to ensure that potential immigrants are properly matched with actual vacancies and an assessment of additional needs to ensure an effective transition into the community.

Skill Matching Database

The Department of Immigration and Multicultural and Indigenous Affairs has on its web site a Skill Matching Database. Whilst not a job search facility, it does assist employers to view details on potential skilled migrants. There is enormous potential for the data base to be an effective tool for prospective employers. However, on accessing the data base VACC has found limited information to properly ascertain qualifications, and while occupations are coded by ASCO codes, it is not very accurate.

VACC is unsure of the level of assistance given to the potential immigrant to comprehend the level of information employers would require to make an assessment. VACC suggests that some consideration be given to some level of support that still requires the candidate to make value judgements on the detail they choose to place on the data base.

VACC recommends that a number of fields in the data base are compulsory, such as country of qualification, current occupation and duties. The current data base provides for the year the qualification is awarded, however, VACC recommends that it provides for the commencement and completion date. This would assist potential employers to identify whether the course was a short course or one comparable to a period of apprenticeship.

VACC attaches two samples of recent listings. One shows the lack of information that proves to be of no assistance for an employer. Sample one also appears to incorrectly list an engineering qualification rather than the qualification of motor mechanic.

The second sample illustrates the level of information that assists a prospective employer. While the list of qualifications is confusing, the description of duties demonstrates an apparent level of knowledge equivalent to a trade level motor mechanic.

Concluding Remarks

VACC is of the view that given the severe shortage of skills and the shortage of labour, the retail motor industry is required to look at alternative sources of labour overseas. However, for employers to gain the confidence to invest and take the risk of sponsoring candidates from overseas, a more reliable method of assessment and levels of support are necessary.

VACC recommends the consideration of:

1. Levels of practical assessment and verification of qualifications and references overseas, prior to a commitment to migrate.
2. If practical assessment is not possible before migration that a temporary Visa be adopted.
3. Resources to assist the identification of possible immigrants such as the Skill Matching Database be expanded to provide a greater level of reliable information.

4. Reliable assessment of issues other than a qualification such as literacy, numeracy and industry technology awareness appropriate.
5. Assistance be given to immigrants to be matched with suitable employers and services to enable a smooth transition into the community.
6. Clearer guidance of the respective roles of each organisation involved in the assessment process. VACC is familiar with the role of VETTASSES, TRA and NOOSR, however there are numerous other organisations that provide similar levels of support. If the number of bodies cannot be streamlined, VACC recommends that clearer guidance be provided to work through the maze of bodies.