

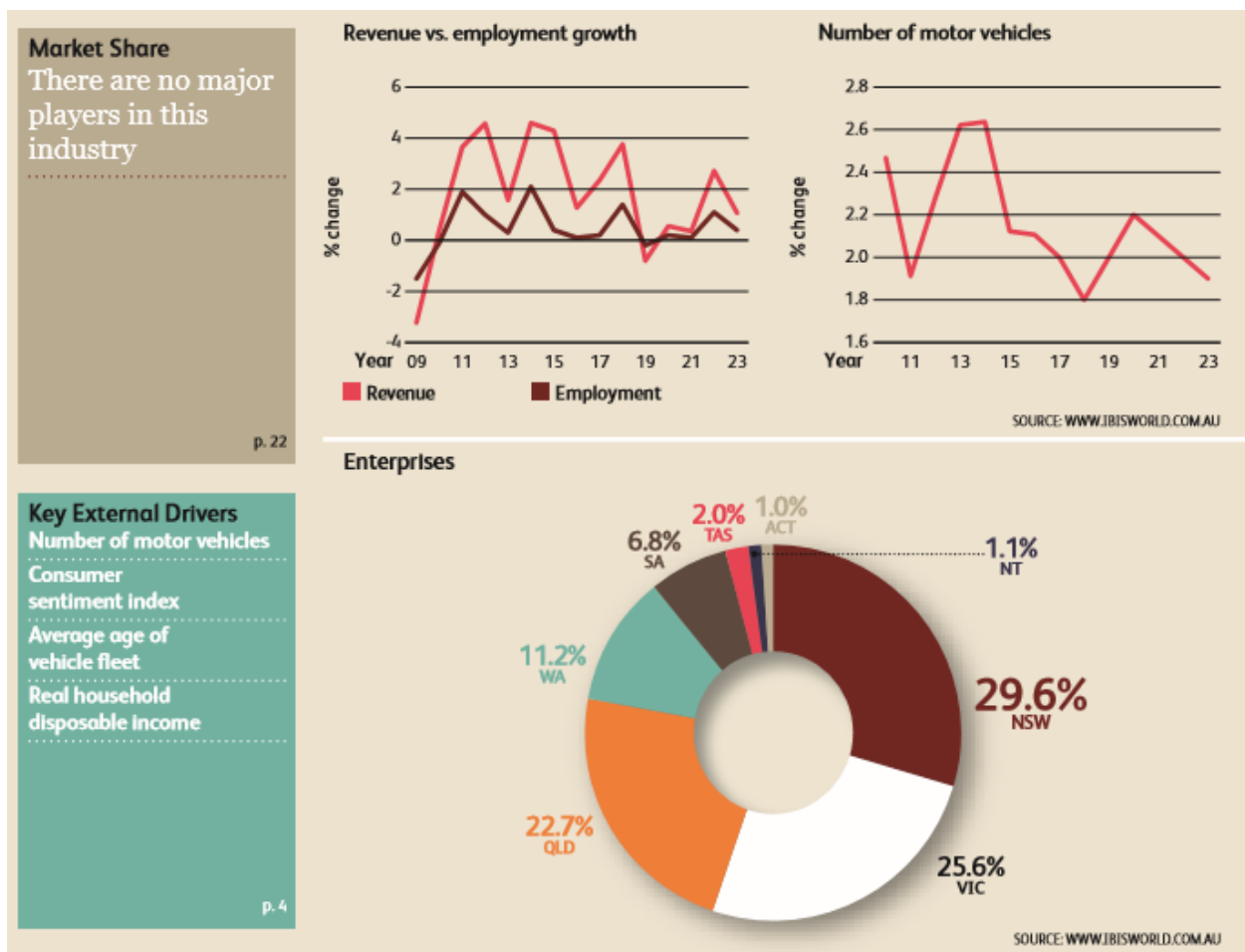
2016-17 Industry snapshot: Motor vehicle engine and parts repair and maintenance in Australia

Industry definition

Industry operators primarily repair motor vehicle engines and parts, and perform regular motor vehicle maintenance and servicing. Smash repairs and electrical repairs are considered separate industries and are not included in this industry summary. (Source: Johnson, S. IBISworld, Mar 2017)

Revenue: \$16.1bn	Annual growth 2012-17: 2.8%	Predicted annual growth 2017-22: 1.3%
Profit: \$903.1m	Wages: \$2.8bn	Businesses: 22,589

(Source: Johnson, S. IBISworld, Mar 2017)



(Source: Johnson, S. IBISworld, Mar 2017).

Industry summary

- Continuing growth in the motor vehicle engine and parts repair and maintenance industry is largely due to consistent growth in the number of motor vehicles and increases in real

household disposable income. The average age of the Australia's registered car fleet remains stable at which reduces fluctuation in demand for industry services.

- The growth of the motor vehicle and parts repair and maintenance industry is negatively impacted by the services provided by new car dealers (i.e. capped price servicing). This situation will continue as dealers strive for market share and new technology is introduced.
- Longer periods between services and increased durability of modern motor vehicles also constrain growth.
- Industry revenue grew at an annualised 2.8% over the five years through 2016-17, to an estimated \$16.1 billion.
- Structural change and business transformation is required and is occurring within the industry as new automotive technology is introduced into vehicles by manufacturers. Many industry members have invested in tooling and equipment and employee training.
- Some independent repairs argue that manufacturer aligned workshops have a competitive advantage in comparison to non-aligned repairers due to better access to and provision of information and diagnostic and repair equipment. Manufacturer aligned workshops also have access to specialist training. This situation will continue as more non-traditional automotive vehicles with alternative propulsion and driving systems are introduced (i.e. electrical and driverless vehicles).
- Many smaller independent industry members with limited resources are disadvantaged and will likely leave the industry in time as profits diminish and increased consolidation within the industry occurs.
- Industry revenue is forecast to grow at an annualised 1.3% over the five years through 2021-22, to reach \$17.2 billion.

Source: Johnson, S (Mar 2017). IBISWorld industry report S9419: Motor vehicle engine and parts repair and maintenance in Australia.