

# AAAA Dashboard Q3 2018




# The voice of the independent aftermarket in Australia

Welcome to the Q3 2018 Edition of the Aftermarket Dashboard, a quarterly information service for members of the AAAA.

This industry publication captures useful statistical and related data, as indicators of the unfolding trends and health of the automotive aftermarket industry, and has been designed to provide regular insight on our industry.

We value your suggestions for improvement or feedback regarding content.

Data sourced from VFACTS New Car Sales Data, ABS Motor Vehicle Census, ACA Research Consumer Automotive Survey

	1. Current State of the Market	2. The Evolving Business Fleet	3. Industry Headlines	4. AAAA Expo 2019
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# 1. Current State of the Market



# Australian economic indicators

## Consumer Confidence



Following a decline in the April to June quarter, consumer confidence has returned to the upward trend observed through the first half of the year.

Despite ongoing concerns around the Australian and global economies, Australian consumers remain more confident than we observed in the comparable period in 2017.

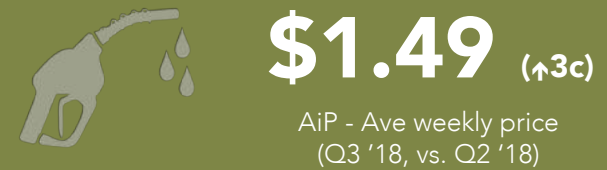
## Business Confidence



Business confidence fell in the current quarter, trailing the Q2 decline in consumer confidence.

Despite ongoing uncertainty around the Australian economy and political environment, it remains ahead of the same period in 2017. Looking ahead to Q4, indicators such as Christmas spending figures will provide more insight into the business environment.

## Fuel Prices

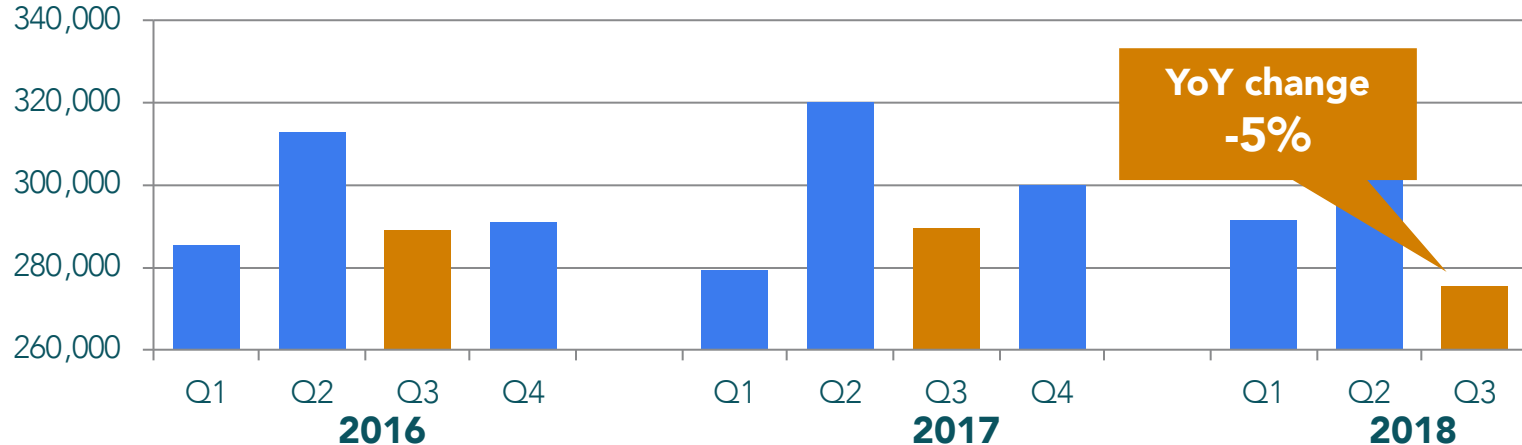
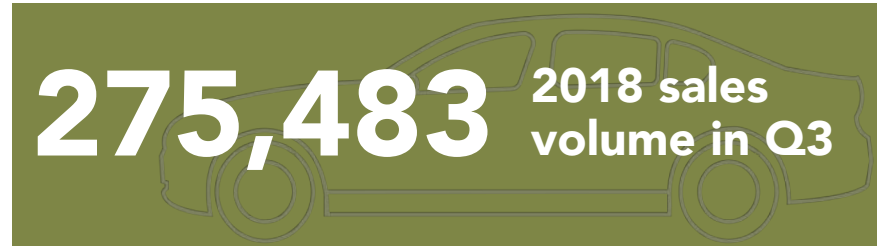


Australian fuel prices continued to rise in Q3, with an average fuel price through the quarter just below \$1.50.

This was driven by ongoing low fuel reserves, as well as a declining exchange rate against the US Dollar. At the time of writing however, we have shifted to a downward trend, with global crude oil prices falling in line with increased supply.

# New car sales by quarter

The downward trend we identified in Q2 has clearly continued in Q3, with a year on year decline of more than 14,000 units. Following on from a run of record sales years, this again highlights the tightening market environment, suggesting total sales at the end of December might end up dropping back towards 1.15 million.















# New car sales by state

In a declining market, Tasmania was the only state or territory to record year on year growth in Q3, beating its 2017 result by more than 700 vehicles. While most states fell roughly in line with the market, NSW and the NT both recorded larger declines, losing almost 8,000 sales between them against the comparable period in 2017.

State	Q3 Volume	% Chng (YoY)	Q3 Share
New South Wales	89,455	-8%	32%
Victoria	79,368	-4%	29%
Queensland	54,393	-4%	20%
Western Australia	23,429	-4%	9%
South Australia	16,621	-5%	6%
Tasmania	5,641	14%	2%
Australian Capital Territory	4,250	-6%	2%
Northern Territory	2,326	-12%	1%
TOTAL	313,984	-5%	



# New car sales by marque

Q3 Rank	Make	Q3 Volume	% Chng YoY	Q3 Share
1	 Toyota	53,134	-1%	19%
2	 Mazda	26,730	-6%	10%
3	 Hyundai	23,177	-1%	8%
4	 Mitsubishi	20,597	4%	7%
5	 Ford	16,527	-16%	6%
6 <sup>↑1</sup>	 Kia	14,026	4%	5%
7 <sup>↑3</sup>	 Nissan	13,867	14%	5%
8	 Volkswagen	13,312	-1%	5%
9 <sup>↓3</sup>	 Holden	12,934	-36%	5%
10 <sup>↑1</sup>	 Subaru	11,969	-11%	4%
	<b>TOTAL</b>	275,483	-5%	



## Holden

# -36%

Q3 year on year results

While Toyota again easily retained top spot, our focus in Q3 2018 is further down the top 10. Ford, Subaru, and Holden all dropped year on year, with Holden selling 7,000 fewer vehicles than Q3 2017. Looking ahead, will we see Holden drop out of the top 10, or will new models deliver the desired sales growth?

[Holden's future could be built around these GM models](#)

On a more positive note, Nissan performed well, recording double digit growth to jump into 7<sup>th</sup>, just behind Kia, which grew sales 4% YoY to take 6<sup>th</sup> spot. With just 1,100 units separating 6<sup>th</sup> and 9<sup>th</sup>, that part of the market remains highly competitive. Despite a year on year decline, Subaru also re-entered the top 10 in Q3, overtaking Honda, which dropped two places from 9<sup>th</sup> to miss out by just 733 sales.

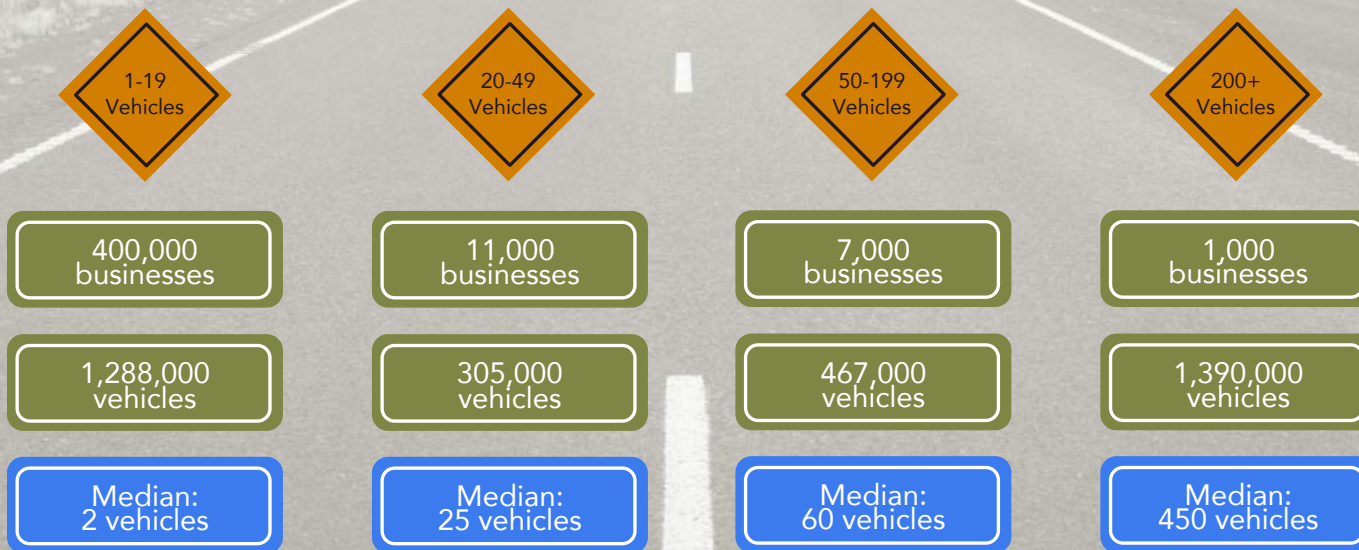


## 2. The Evolving Business Fleet



# Business fleets

419,000 Australian businesses have a fleet



# Buyer types

At an overall level, private sales just outperformed business in Q3 2017. Once we factor in the other 'fleet' buyers (government and rental businesses), as well as Heavy Commercial Vehicles, fleet sales outperform private by almost 40,000 units.

Looking at the breakdown, rental fleets performed strongly in Q3, with business and government both down marginally year on year. These sales are all however off-setting the double digit decline in private sales, down from 131,981 vehicles in Q3 2017.

**Fleet sales outperform private by almost**

**40,000** units



Buyer Type	Q3 Volume	% Chng (YoY)	Q3 Share
Private	117,991	-11%	43%
Business	114,592	-2%	42%
Government	9,294	-2%	3%
Rental	22,911	5%	8%
Heavy Commercial Vehicles	10,695	12%	4%
TOTAL	275,483	-5%	

# Fleet purchases

Looking at the business market at an overall level doesn't however tell the full story. Despite overall numbers declining, breaking them by vehicle type reveals that this is also a function of the changing composition of business fleets. Passenger vehicles recorded a double digit decline year on year (aligning with drops in sales for traditional fleet vehicles like the Holden Commodore), while SUV sales continued to grow, making up two in five fleet purchases. This ongoing trend means that brands with a strong SUV line-up (e.g. Mazda) will be increasingly present in business fleets, impacting their servicing and support needs.

Vehicle Type (Business Purchasers Only)	Q3 Volume	% Chng (YoY)	Q3 Share
Passenger	33,166	-15%	29%
SUV	46,138	8%	40%
Light Commercial	35,288	1%	31%
TOTAL	114,592	-2%	

# Vehicle usage

Light Commercial vehicles performed strongly in Q3, with more than 35,000 of the 55,498 LCVs sold going onto business registrations. Additionally, they record a higher level of utilisation than passenger vehicles, travelling almost half of the recorded business km despite making up just 22% of the car parc.

Also important to remember here is that while 15,102 Light Commercial Vehicles were sold privately, many of these will also be used for work purposes, increasing their workload, and creating additional considerations from a servicing and maintenance perspective.

State	Total Vehicles	Total Km (Million)	Share of Total Km	Business Km (Million)	Share of Business Km
Passenger Vehicles	14,330,000	175,900	78%	33,300	53%
Light Commercial Vehicles	3,190,000	50,800	22%	29,800	47%
<b>AUSTRALIA</b>	<b>17,520,000</b>	<b>226,700</b>		<b>63,100</b>	





### 3. Industry Headlines

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## AAAA NEWS



### **Mechanics say they'll go bust if car makers don't share computer codes**

Independent mechanics say they will find it increasingly difficult to keep trading if the Federal Government does not force car makers to share computer codes and technical information.

In May, the Government agreed reform of the sector was a priority. But since then, the industry body representing 22,000 independent auto-repairers said progress had been slow.



### **\$7m in funding for Aussie manufacturing**

Small businesses can now apply for a small chunk of a \$7 million funding program from the Federal Government.

The Automotive Innovation Lab Access grants program aims to support automotive businesses in product development.



### **Burson-Autobarn boosts retail income**

BAPCOR Ltd, Australia's biggest parts supplier that trades under names including Burson and Autobarn, exceeded expectations for the 2018 financial year to post a 22 per cent increase in revenue to \$1.24 billion.

The result, which included a net profit after tax of \$84.5 million was attributed to a divestment in non-core businesses and a store expansion...

# AAAA NEWS



## QBE launches heavy vehicle repair network

QBE Insurance Australia (QBE) today launched its first Heavy Vehicle Repairer Network, providing its customers access to end-to-end heavy vehicle repairs from accredited specialist providers across Australia.



## Renault-Nissan adopts Android in coup for Google

The Renault-Nissan-Mitsubishi carmaking alliance will adopt Alphabet's Google Android operating system, handing a victory to the U.S. tech giant as it pushes for a bigger share of the infotainment market.

Renault, Nissan and Mitsubishi, with combined sales of 10.6 million vehicles last year, said future models will "integrate Google applications and services" including Maps and the voice-commanded Google Assistant.



## Thrifty airport centre opens

Thrifty's new multimillion-dollar facility at Kalgoorlie-Boulder airport opened its doors this month, expanding its services in the Goldfields to provide external mechanical services, leasing and used car sales.

# Australian Auto Aftermarket Expo 2019



*Be a part of our Biggest Industry Event*

The Australian Automotive Aftermarket Association (AAAA) is gearing up for the industry's biggest showcase event, the 2019 Australian Auto Aftermarket Expo, to be held at the Melbourne Convention and Exhibition Centre from April 4 to 6, 2019.

For remaining 2019 AAA Expo exhibitor space enquiries contact Nina Roberts at IEC – **03 9596 9205** or by email: [nina@iecgroupp.com.au](mailto:nina@iecgroupp.com.au).

To discuss the remaining 2019 Expo sponsorship opportunities that are available, contact Michelle Vizzuti at the AAAA on **03 9545 3333** or by email [michelle@aaaa.com.au](mailto:michelle@aaaa.com.au).





## About AAAA

The Australian Automotive Aftermarket Association, is the national industry association representing manufacturers, distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment, as well as providers of vehicle service, repair and modification services in Australia.

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## About ACA Research

With over 20 years of automotive experience, ACA Research has developed a detailed understanding of the automotive sector, Using this market knowledge, we design and deliver research that helps our clients understand and overcome their business issues, empowering them to move forward with confidence.

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