

AAAAA Dashboard Q1 2019



The voice of the independent aftermarket in Australia

Welcome to the Q1 2019 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, AAAA 2019 Workshop Survey

	1. Current State of the Market	2. 2019 AAAA Workshop Research	3. The AAAA Postcode Tool	4. Industry Headlines
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1. Current State of the Market

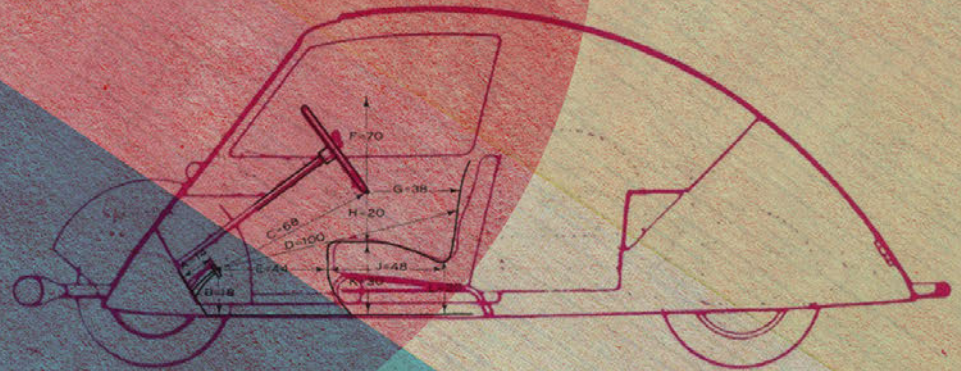
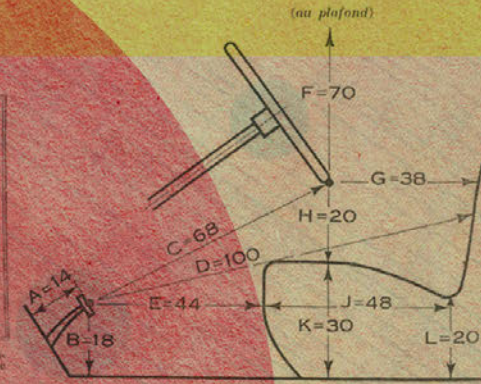
Cotes intérieures mini en cm.

LARGEURS INTERIEURES	AUX SIÈGES	AUX COUDES
2 places côte à côte	110	120
2 places diagonales de 15 cm.	100	110
2 places en tandem	85	75

Pour 2 places tandem : passage entre dossiers de mini avec pieds sous siège avant.

CÔTES DE VÉRIFICATION DE CARROSSERIE, EN cm

Les cotes indiquées sont les dimensions directement mesurables dans la voiture carrossée. Elles se suivent alphabétiquement, dans un ordre (A - B - C...) facilitant la prise des mesures dans la voiture. (Conformément à la norme BNA 120, la lettre I n'est pas utilisée.)



Australian Economic Indicators

Consumer Confidence



Consumer confidence dived in the first quarter of 2019, with consumer concerns around declining house prices compounded by uncertainty around the NSW state and federal elections in April and May 2019.

Lower levels of confidence are also reflected in reduced retail spending, with all indicators suggesting further falls are likely.

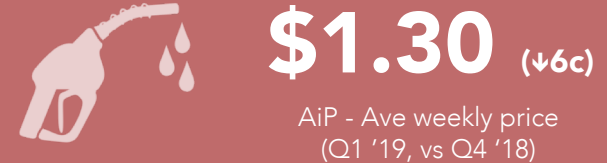
Business Confidence



Business confidence also dropped significantly in Q1 2019.

As with consumer confidence, this can to a large extent be attributed to uncertainty around (and media coverage of) a potential change of government, and the policy implications this could have, particularly for the small business community.

Fuel Prices

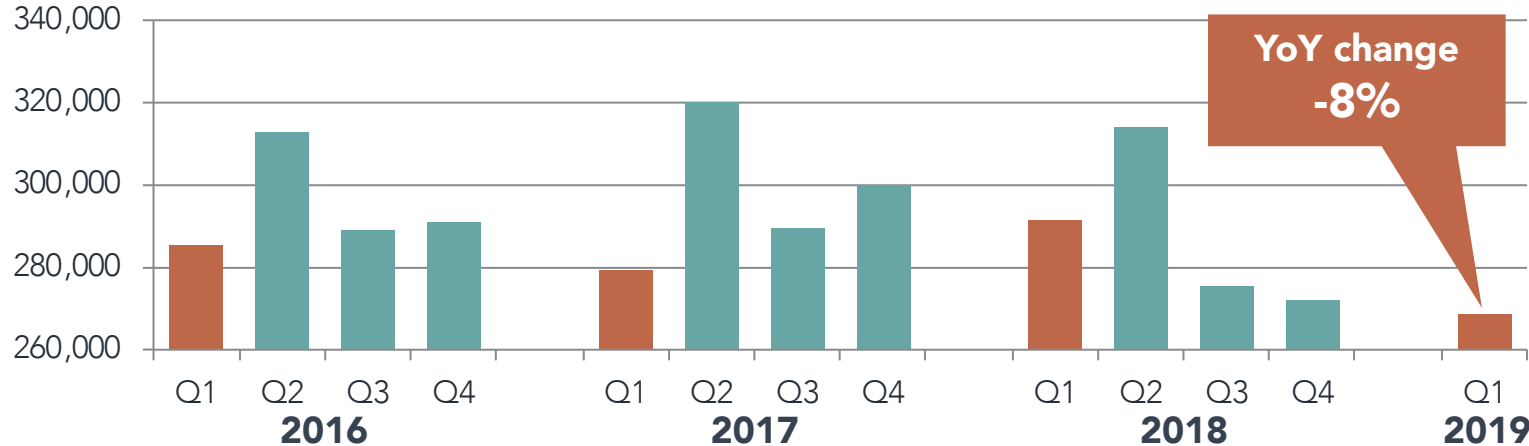
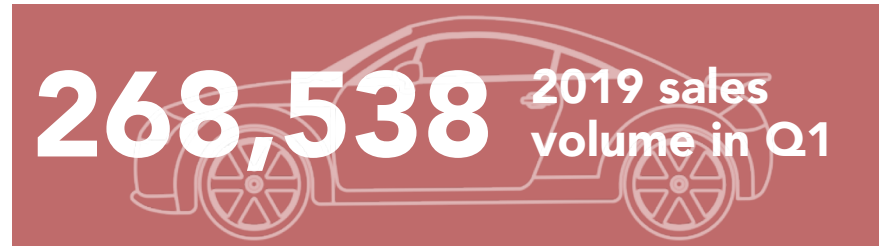


Retail petrol prices continued to decline, falling to an average of \$1.30 through the first quarter of 2019.

While this will have relieved some cost pressure on motorists in the short term, we have since seen prices increase again through the beginning of Q2 '19.

New Car Sales By Quarter

The first quarter of 2019 saw another weak result, well down on Q1 2018, but also lagging the same period in 2016 and 2017. With consumer and business confidence both softening, this suggests dealerships are in for a tougher year. From a servicing perspective though, it creates opportunity for the aftermarket, with more consumers holding on to existing vehicles as they move out of warranty.













New Car Sales By State

The east coast was worst hit in the first quarter of 2019, with NSW, Victoria and the ACT all dropping by around 10% when compared to Q1 2018. Comparatively, Western Australia and Queensland suffered a smaller decline, with South Australian results in line with the same period last year.

State	Q1 Volume	% Chng (YoY)	Q1 Share
New South Wales	86,297	-9%	32%
Victoria	76,509	-11%	28%
Queensland	53,980	-6%	20%
Western Australia	23,072	-6%	9%
South Australia	17,352	0%	6%
Australian Capital Territory	4,446	-10%	2%
Tasmania	4,426	0%	2%
Northern Territory	2,456	-1%	1%
TOTAL	268,538	-8%	

New Car Sales By Marque

Q4 Rank	Make	Q1 Volume	% Chng YoY	Q1 Share
1	 Toyota	49,618	-5%	18%
2	 Mazda	28,343	-5%	11%
3↑ ¹	 Mitsubishi	25,299	19%	9%
4↓ ¹	 Hyundai	20,365	-14%	8%
5	 Ford	16,259	-12%	6%
6↑ ³	 Kia	14,810	4%	6%
7	 Nissan	12,841	-19%	5%
8	 Volkswagen	12,366	-10%	5%
9↑ ²	 Honda	12,242	-19%	5%
10↓ ⁴	 Holden	11,825	-24%	4%
TOTAL		268,538	-8%	




+19%
Q1 year on
year results

With the market trending down as a whole, two notable outliers emerged in Q1 2019:

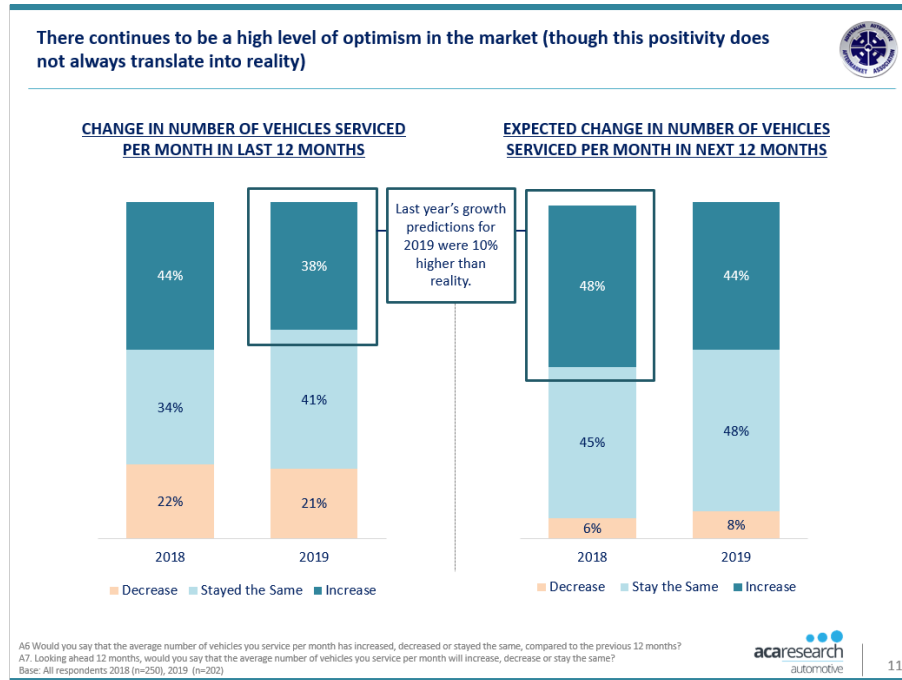
- Mitsubishi took third spot for the quarter off the back of 19% YoY growth, clawing back Hyundai's 591 vehicle lead in Q4 2018 to finish almost 5,000 vehicles ahead in this quarter.
- Kia overtook Nissan, Volkswagen and Holden to move into 6th spot, with 4% YoY growth (continuing on from its strong Q4 '18 result).

Despite falling just short of the 50,000 mark, Toyota remains the clear market leader, responsible for almost one in five sales. Further down the list, Nissan, Honda and Holden all saw big declines, with Holden holding on to 10th spot after Subaru dropped 36% YoY.



2.
2019 AAAA
Workshop
Research

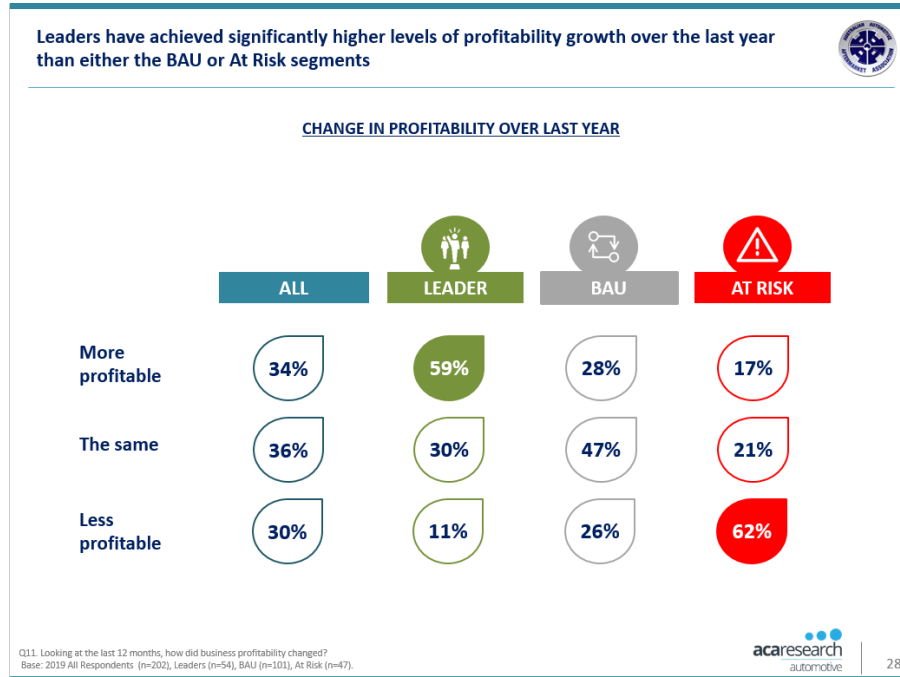
Growth Prospects



Australian automotive workshops remain generally positive about their prospects over the next 12 months, with almost half predicting that they will service more vehicles in 2019 than the year before.

This does however introduce some challenges, as workshops need to ensure that this growth is not at the expense of margin, while also ensuring they can maintain the quality of the service being provided to customers.

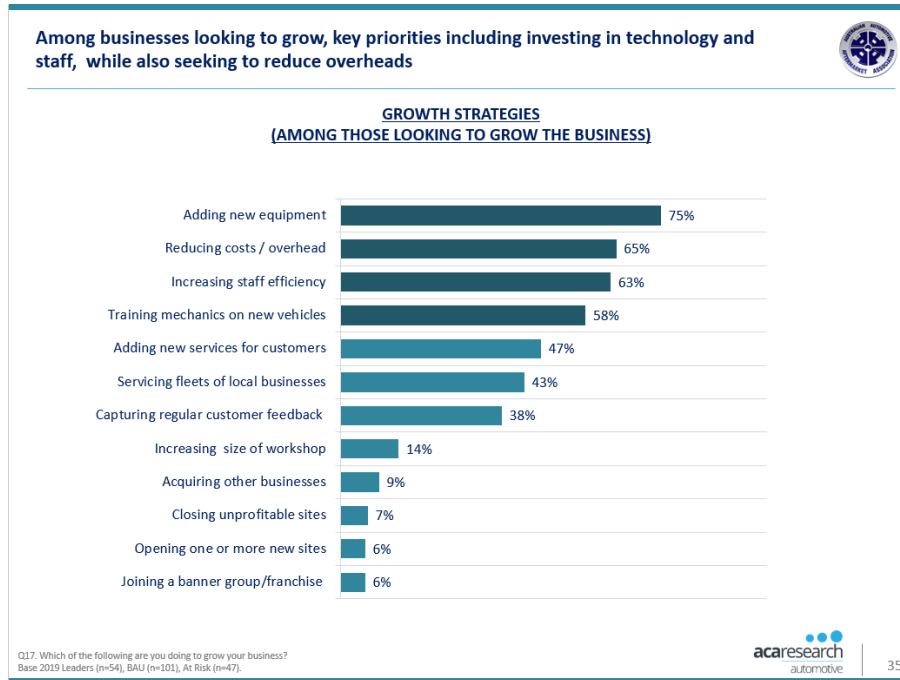
Profitability



Reflecting these challenges, increasing (or even maintaining) profitability continues to be a challenge across the industry.

Tying in the with 'Building a better business' theme of the 2019 AAAA Expo, workshops need to consider the strategies they can use to maintain or increase revenue and profitability, to reduce their cost base, and to increase productivity.

Growth Strategies



With most workshops looking to grow their business, a range of strategies are being adopted. Key areas of focus include investing in new technology, staff training, attracting new customers, and reducing costs.

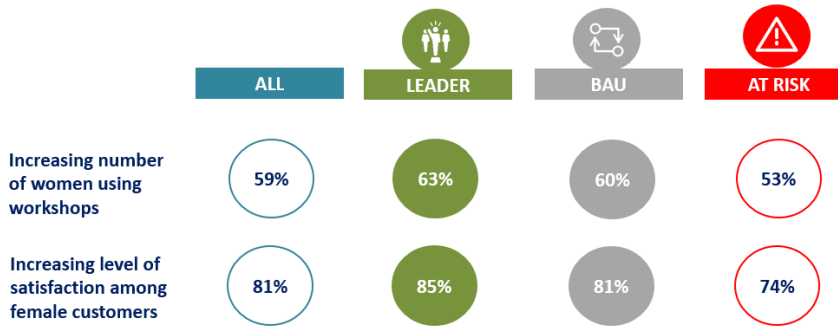
Individual workshops will ultimately need to consider what is realistic in terms of the upfront costs they will face, as well as where they think they will achieve the greatest return on investment.

Customer Needs

And while both Leaders and BAU businesses aim to attract more women as customers, increasing their satisfaction is a higher priority (delivering to their existing female base)



GOALS FOR BUSINESS (% AGREEING)



Q21. To what extent do you agree the following are goals for your business?
Base: 2019 All respondents (n=202), Leaders (n=54), BAU (n=101), At Risk (n=47)

acaresearch
automotive

25

While workshops are placing a greater focus on the customer experience they offer generally, they're also increasingly recognising the importance of their female customer base, with previous research showing that they make more than half of the household decisions around vehicle servicing and maintenance).

The key elements emerging from the research here are the importance of making a workshop more welcoming to new female customers, as well as improving the quality of service to existing ones.



Access The Full Report

Building on the content we've shared here, the full report explores in more detail how Australian automotive workshop operators are managing their businesses. It unpacks the key challenges they are facing, and sets out the strategies being used to:

- Maximise resources
- Increase profitability
- Grow their business

For more information, or to download your free copy of the report, click the button on the right...



Get your free copy of the report

3. The AAAA Postcode Tool

AAAA Data Intelligence Services

Given the challenging workshop operating environment, having access to robust, reliable data is key. The AAAA's data intelligence service provides members with access to insights obtained from a range of different sources:

- New car sales
- Australian car parc
- Research with consumers, fleets, and workshops

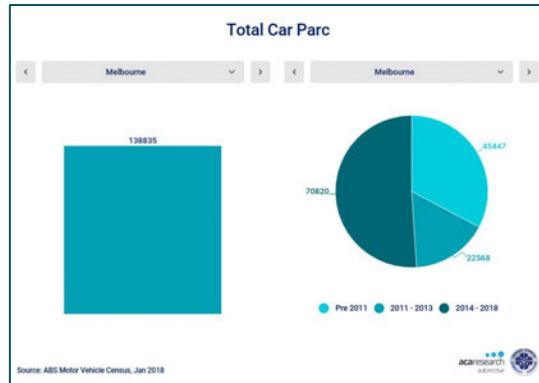
Products and services that can help the automotive aftermarket make better, data-driven decisions are developed using this data, with the AAAA Local Car Parc Tool being one output from this process.



The AAAA Local Car Parc Tool

The tool can be accessed through the member area on the AAAA website. Within it, you will find car parc statistics for each Local Government Area in Australia, looking at the total number of registered vehicles, as well as digging into the top makes and models.

For more information about how to access or use the tool, if you've got questions about other data that might be available, or if you'd like to suggest improvements, please contact Elyse Keyser at the AAAA on elyse@aaaa.com.au.



Top Models

Melbourne

Model	Pre 2011	2011-2013	2014-2018	Total
Toyota Camry	1338	578	4588	6504
Toyota Corolla	2180	745	2606	5531
Holden Commodore	1676	571	2734	4981
Toyota Hilux	916	852	2709	4477
Ford Ranger	166	367	2815	3348
Mazda 3	1193	702	1181	3076
Holden Astra	988	3	1731	2722
Toyota Rav4	560	314	1899	2643
Ford Falcon	1526	182	359	2197
Hyundai i30	233	426	1418	2077
Ford Territory	292	246	1527	2065
Holden Colorado	52	234	1633	1919
Toyota Yaris	703	249	736	1688
Toyota Kluger	226	155	1234	1615
Subaru Forester	667	199	721	1587

Source: ABS Motor Vehicle Census, Jan 2018



4. Industry Headlines

Industry Headlines



Gannon Is New Capricorn Automotive CEO

Capricorn has announced the promotion of current company secretary and general counsel - legal risk and marketing, Bradley Gannon, to the role of Capricorn Automotive chief executive officer from July 1, 2019. Gannon takes on this new responsibility following the promotion of current Capricorn Automotive CEO, David Fraser.



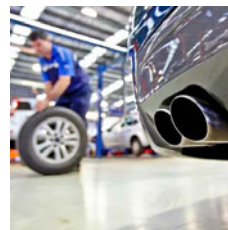
Why The Automotive Holdings Share Price Is Falling Today

This morning (14 May 2019) Automotive Holdings announced that it expects FY19 operating net profit after tax to be around \$50 million. The forecast is based on the company's trading performance for the 10 months ended April 2019 and on current market conditions.



Auto Innovation Centre Launched At Expo

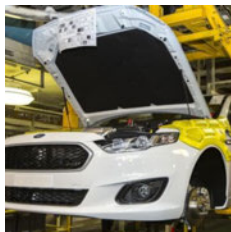
The Australian Automotive Aftermarket Association (AAAA) unveiled the exciting future of Australia's automotive aftermarket industry product design and development capabilities at the country's largest Automotive industry event, the Australian Auto Aftermarket (AAA) Expo in Melbourne last week.



Bapcor Spins Wheels In Australia As Thailand Shows Spark

Australia's biggest automotive spare parts seller says a slowdown that began a few months ago has not improved as professional mechanics and home enthusiasts remain cautious.

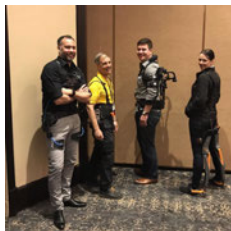
Industry Headlines



Ford Australia Finds Buyer For Its Local Manufacturing Plants

Ford has finally found a buyer for two of its local manufacturing plants.

Victorian developer Pelligra Group bought the Geelong engine plant and Broadmeadows assembly line sites, to be renamed Fortek and Assembly.



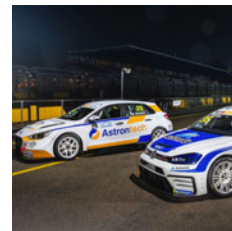
Passive Exoskeletons Establish A Foothold In Automotive Manufacturing

Just two years ago, it would have been next to impossible to find a wearable exoskeleton on an automotive production line. In just a couple of years, the number of exoskeletons in auto plants has gone from a few dozen to somewhere close to a thousand, and this trend is showing no signs of slowing down.



Asbestos Threat Working On Older Cars

Australia placed a ban on asbestos nearly 20 years ago, however the automotive industry was only recently impacted by this policy due to health concerns. After an established car collector, Terry Healy, attempted to import a 1965 Ford Mustang and 1966 Shelby G.T. 350 into Australia, the Australian Border Force (ABF) has become more stringent. Upon a thorough investigation, numerous parts of these famed vehicles, including brake pads and exhaust gaskets, were found to contain asbestos.

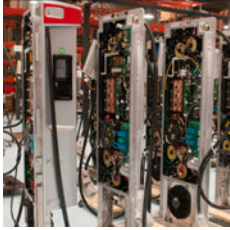


TCR Australia Announce Major Sponsor

TCR Australia organisers, the ARG Group, have announced that carsales.com.au (carsales) will be the major presenting sponsor of the inaugural TCR Australia Series this year.

The new-to-Australia racing category, based on the globally-recognised under 2-litre touring car regulations, will be known as the carsales TCR Australia Series.

Industry Headlines



Electric Vehicle Charging Startup Takes On World First, Australia Second

Labor's ambitions to ramp up electric vehicles may be in tatters but some small Australian startups are amongst world leaders in the sector.

Brisbane-based Tritium manufactures the fastest electrical vehicle charging stations in the world with 95 per cent of its production exported.



ACE EV To Sign Agreement To Build Electric Vehicles In Adelaide Starting In 2020

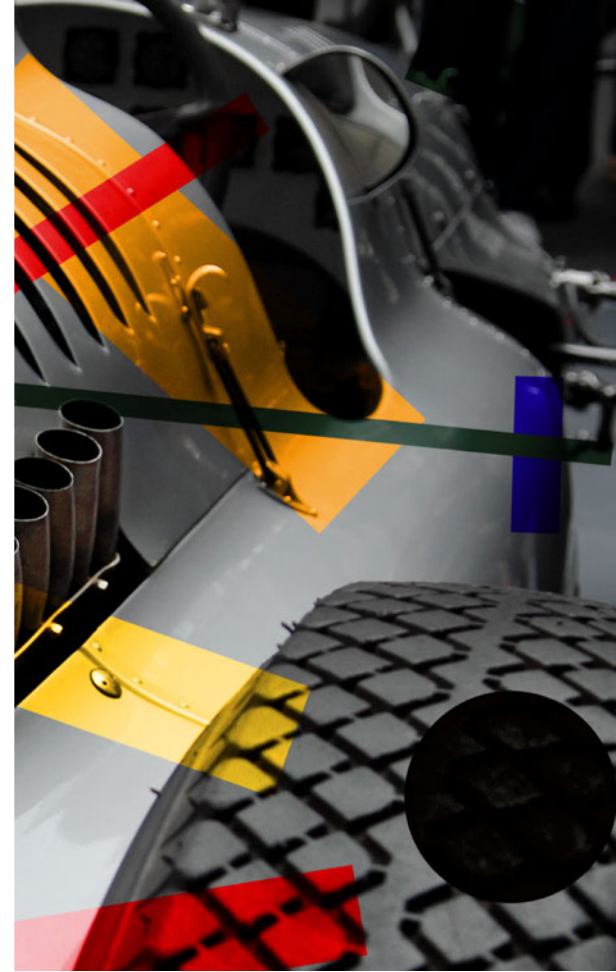
Electric vans, utes and eventually cars will be assembled in Adelaide from next year, with start-up company ACE EV to sign an agreement with an Adelaide-based business today.

ACE EV will work with Adelaide's Aldom Motor Body Builders to build up to 15,000 vehicles a year by 2025.



Wesfarmers Dumps Coal And Turns To Electric Cars: Australia Should Follow

Just months after selling the last of its thermal coal assets, Wesfarmers – one of Australia's leading business conglomerates – has made a \$776 million play to enter the lithium market and tap into the opportunities of the global switch to electric vehicles.





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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