

AAAA State Of The Industry 2024

October 2024



AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION

fifth
quadrant

- 1 workshops & employees
- 2 qualified technicians
- 3 apprentice technicians
- 4 service & repair
- 5 car parc
- 6 technology investment
- 7 import & export
- 8 About AAAA & Fifth Quadrant

To provide a comprehensive and insightful update on the current state of the automotive aftermarket industry, offering valuable data and analysis on key market dynamics and trends to inform strategic decision-making and future planning for industry stakeholders.

Key Insights



Workshop numbers continue to grow, in the last 5 years 3,300 new workshops have opened for a 12% industry growth rate



The aftermarket is responsible for the majority of both fleet and consumer servicing, underpinned by their strong relationships with customers

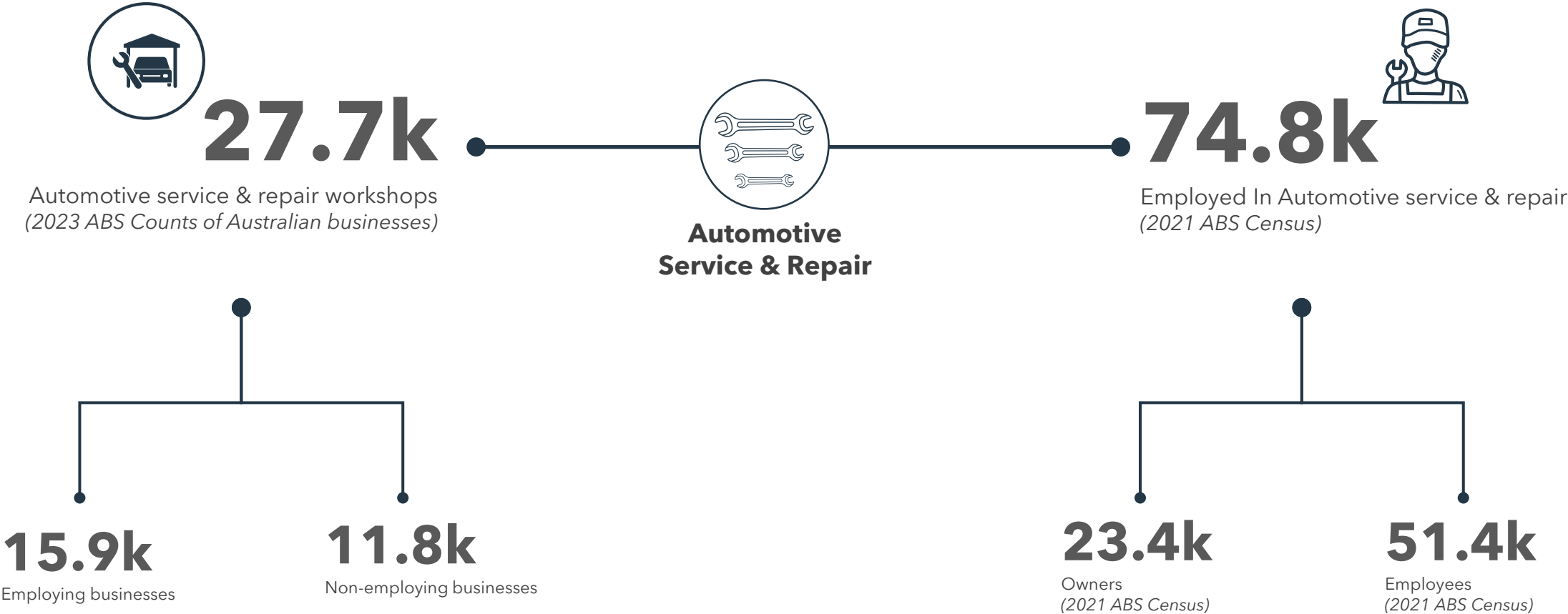


The forecasted demand for mechanics will reach 79k in 2030, with 32k of those roles to remain unfilled if the current shortages are not addressed

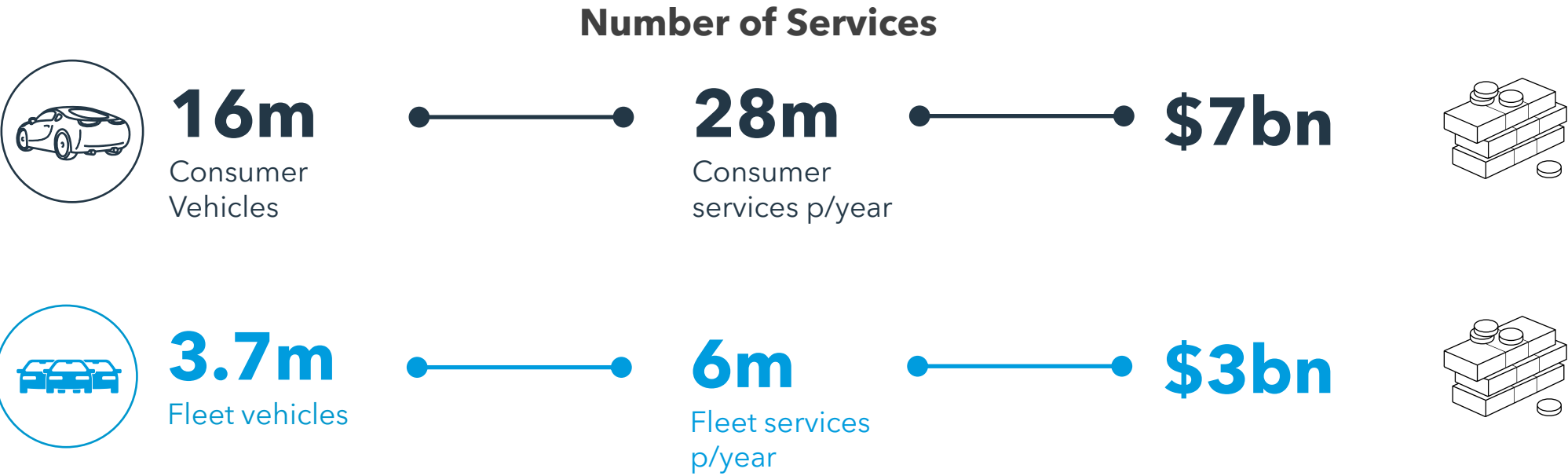


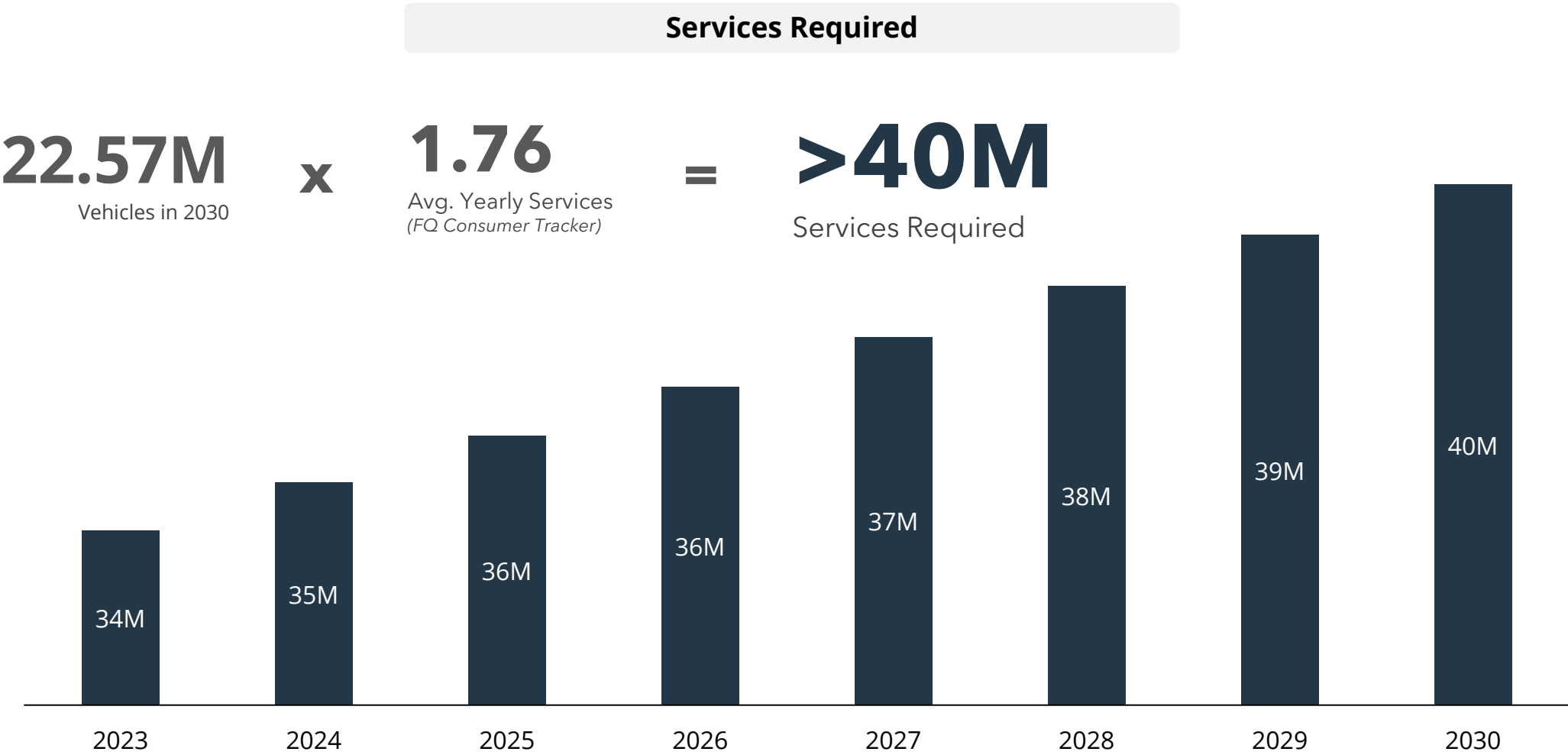
Workshop operators see the importance of investing in the latest diagnostic and service tools and technologies in order to be able to service the latest vehicles

There are almost 28,000 aftermarket service and repair workshops in Australia, employing more than 50,000 technicians and support staff



These workshops are delivering around \$10bn of vehicle servicing and repair each year, supporting both consumer and fleet drivers





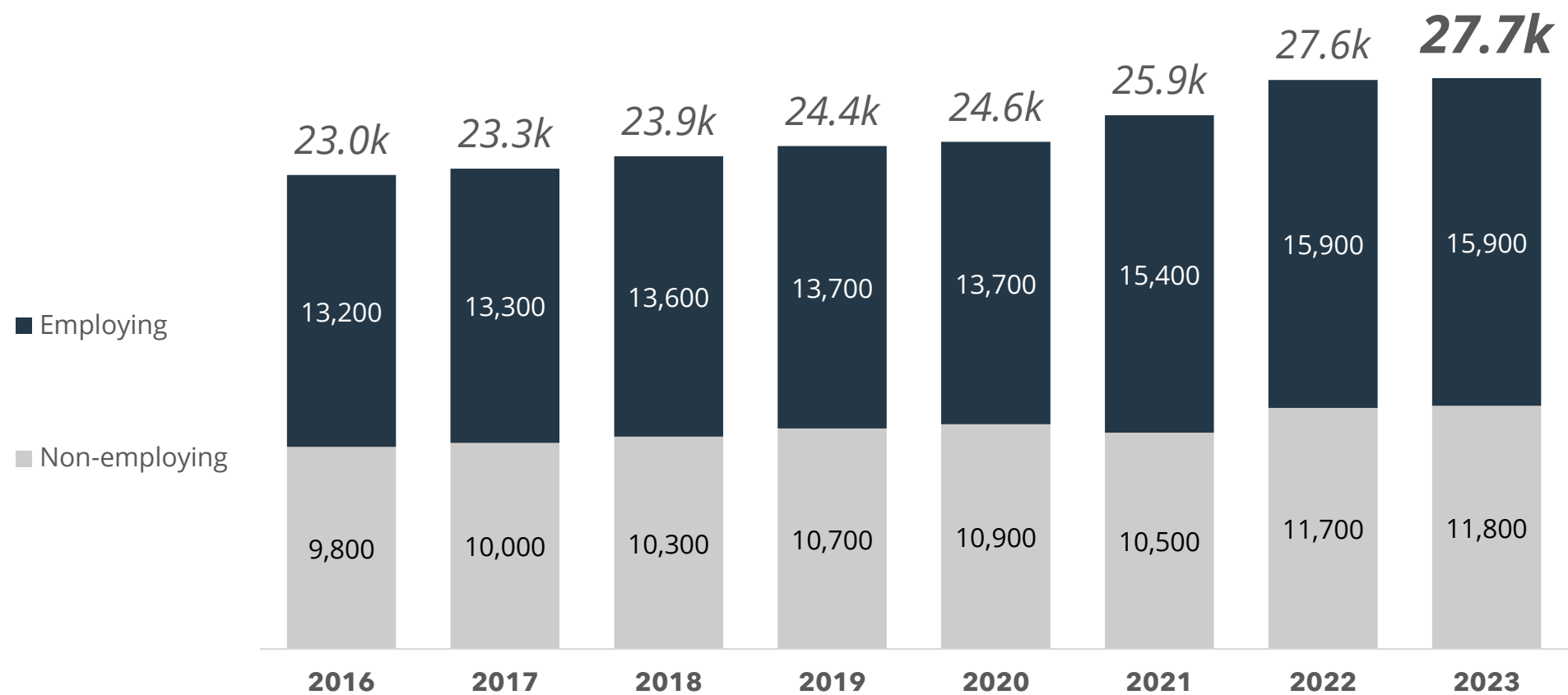


**AUSTRALIAN AUTOMOTIVE
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WORKSHOPS & EMPLOYEES

The number of both employing and non-employing workshops continues to increase, with some operators likely preferring the simplicity of working by themselves

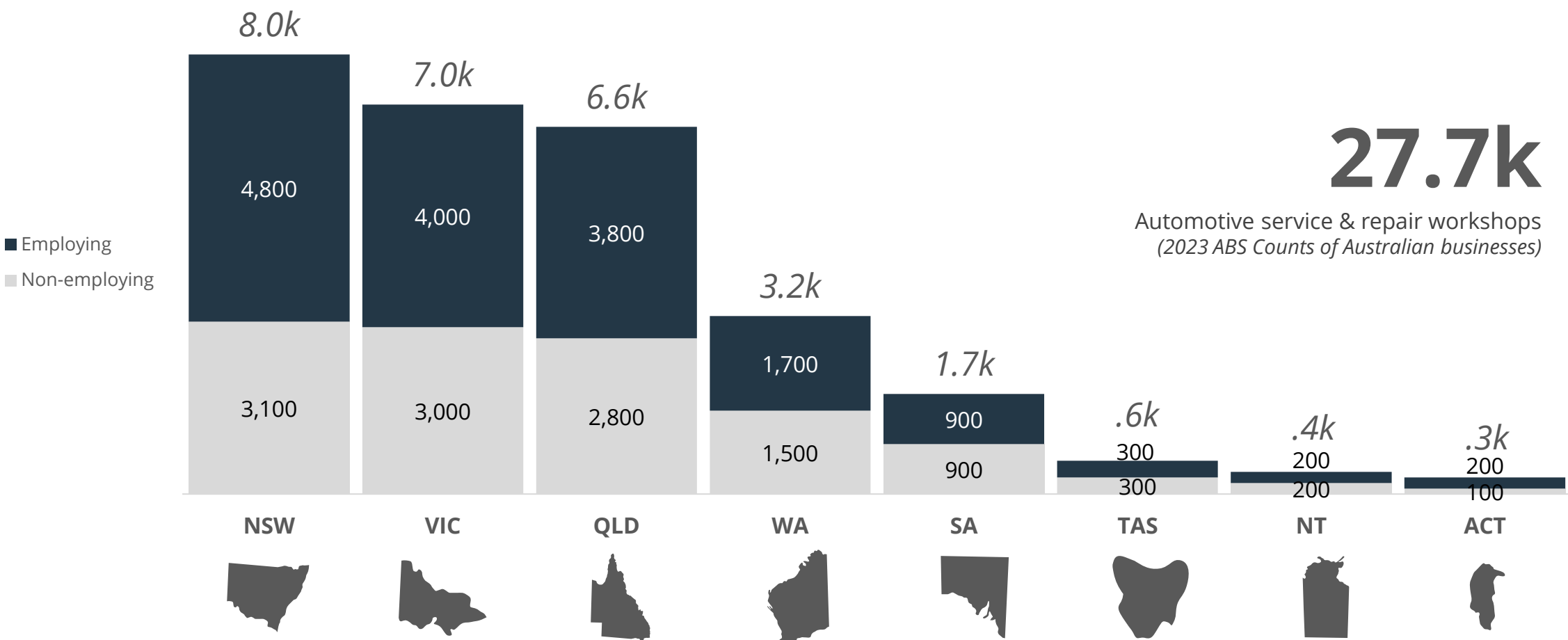
Employing vs. non-employing Automotive Service & Repair Workshops



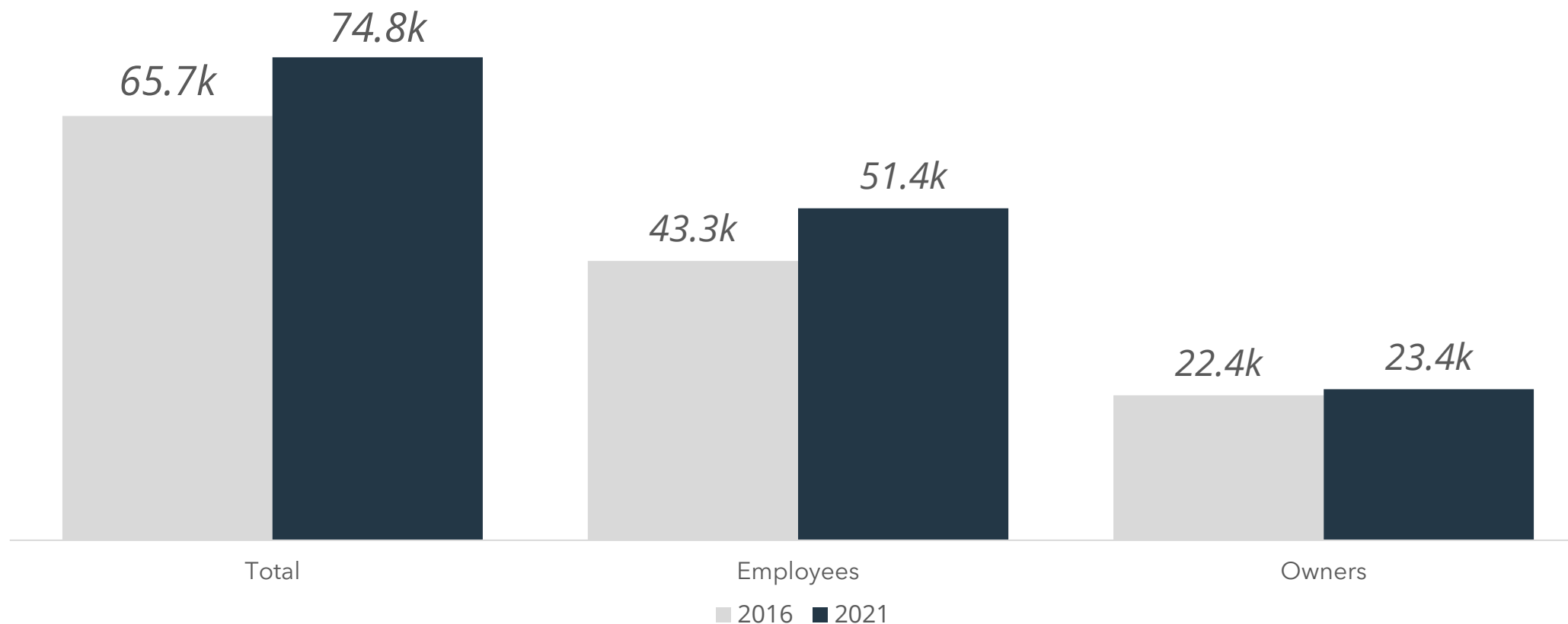
Workshop & Employees

Splitting the numbers out across states, we see that employing workshops are more likely to be found in the larger states of NSW, Victoria, and Queensland

Automotive Service & Repair Workshops in each state



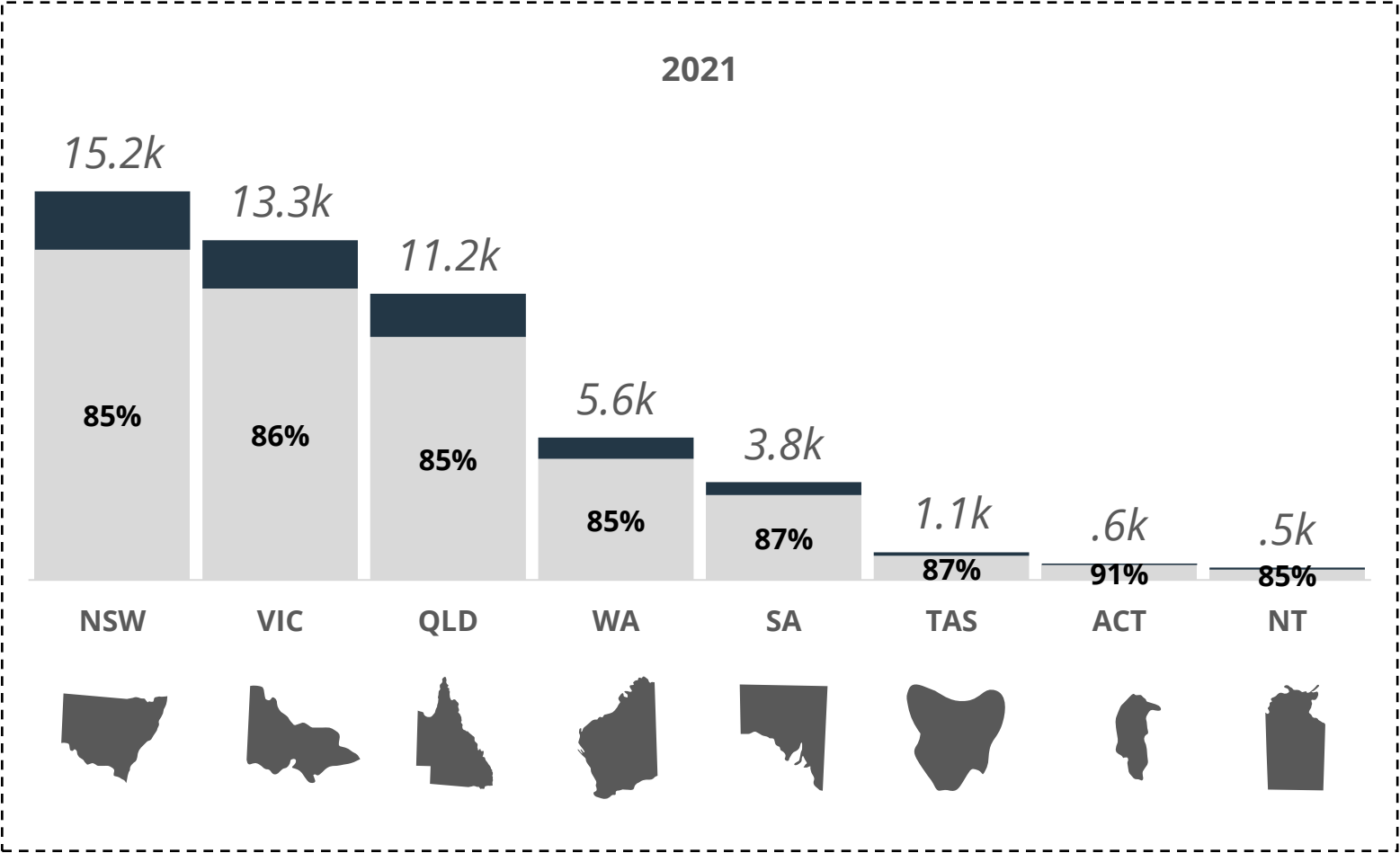
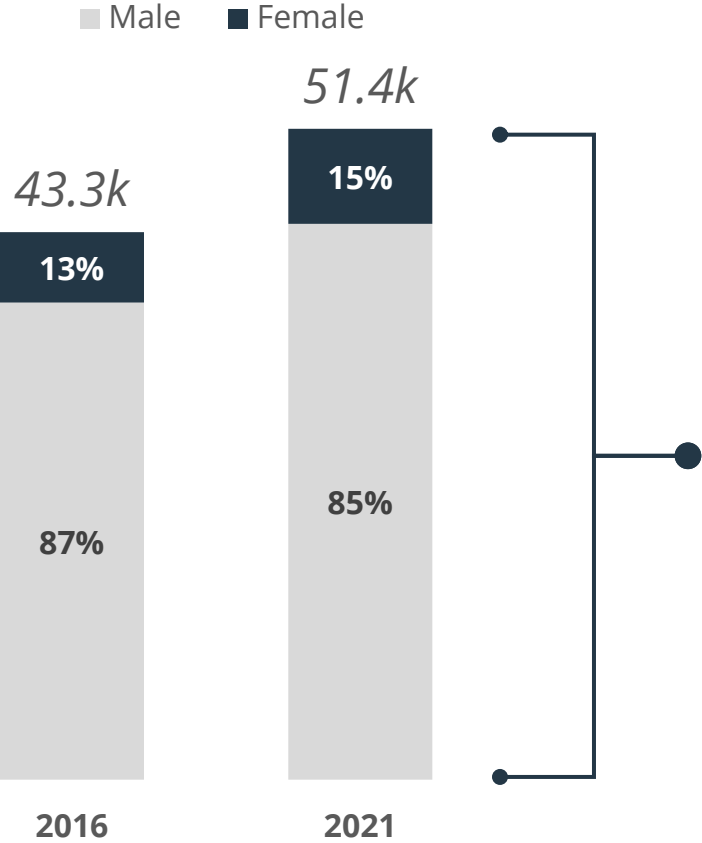
Employment in Automotive Service & Repair Workshops over time



Workshop & Employees

The automotive service and repair industry is still overwhelmingly male, but female numbers continue to increase; since 2016 they are up by 2%, or about 2,000 employees

Employees by Gender and State, within Automotive Service & Repair Workshops





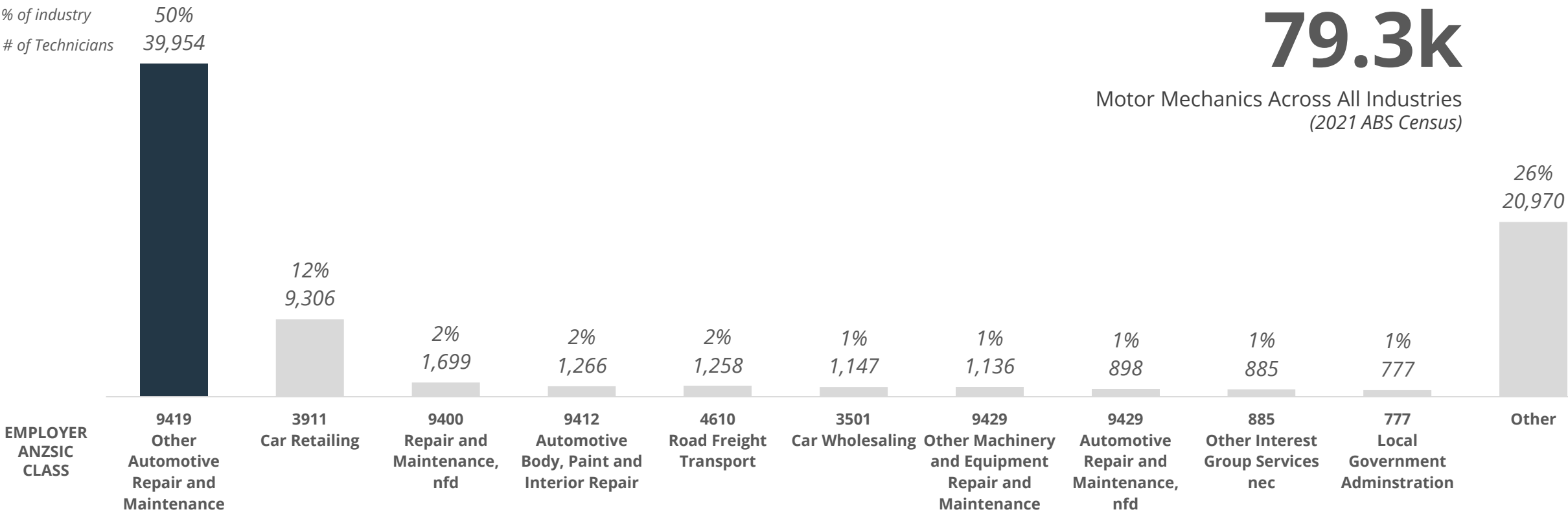
**AUSTRALIAN AUTOMOTIVE
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QUALIFIED TECHNICIANS

Qualified Technicians

There are just under 80,000 qualified automotive technicians in Australia, but only around half are working in aftermarket workshops, reflecting the heavy competition for talent

Top 10 Employer Industries within Occupation - 321211 Motor Mechanics



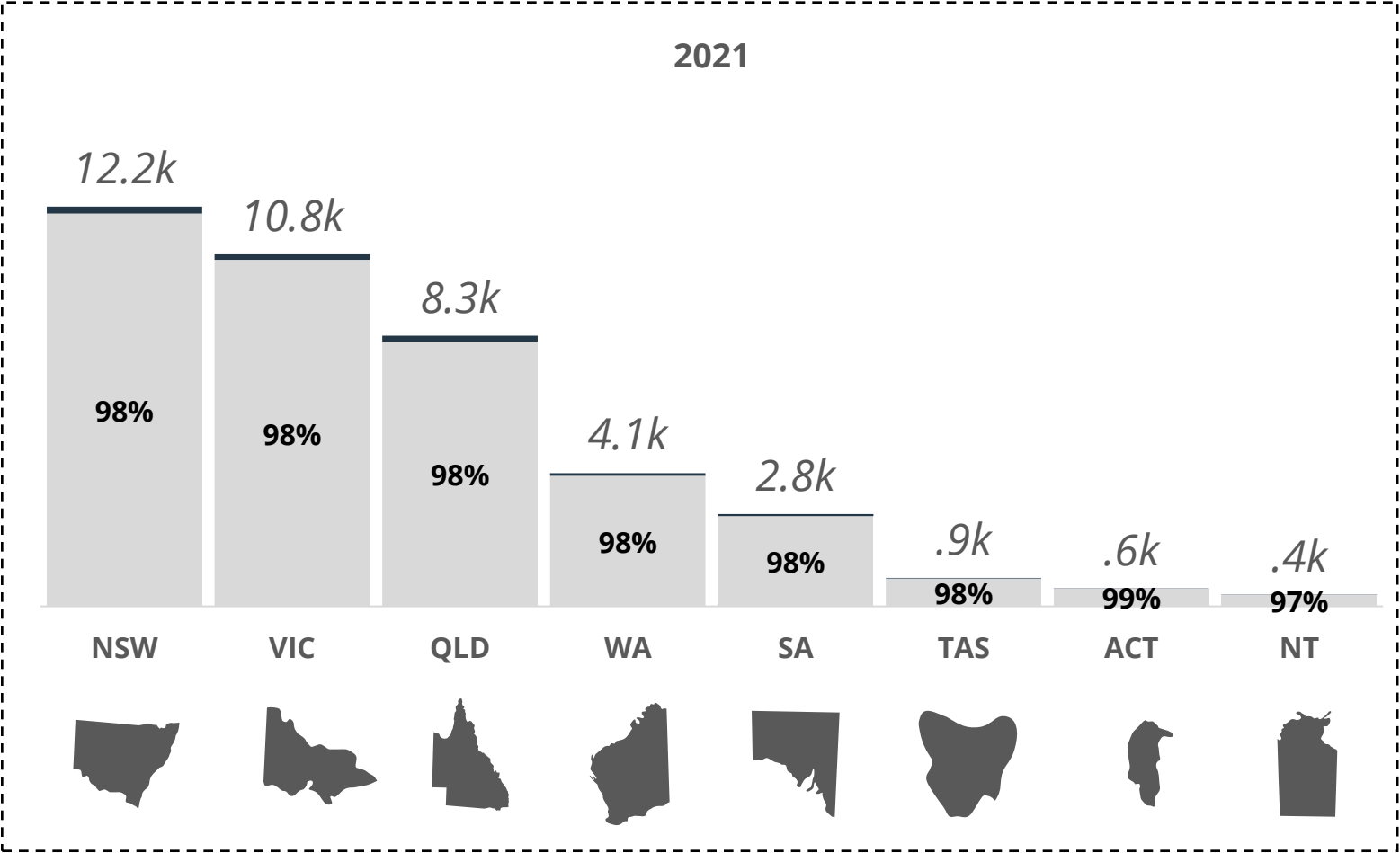
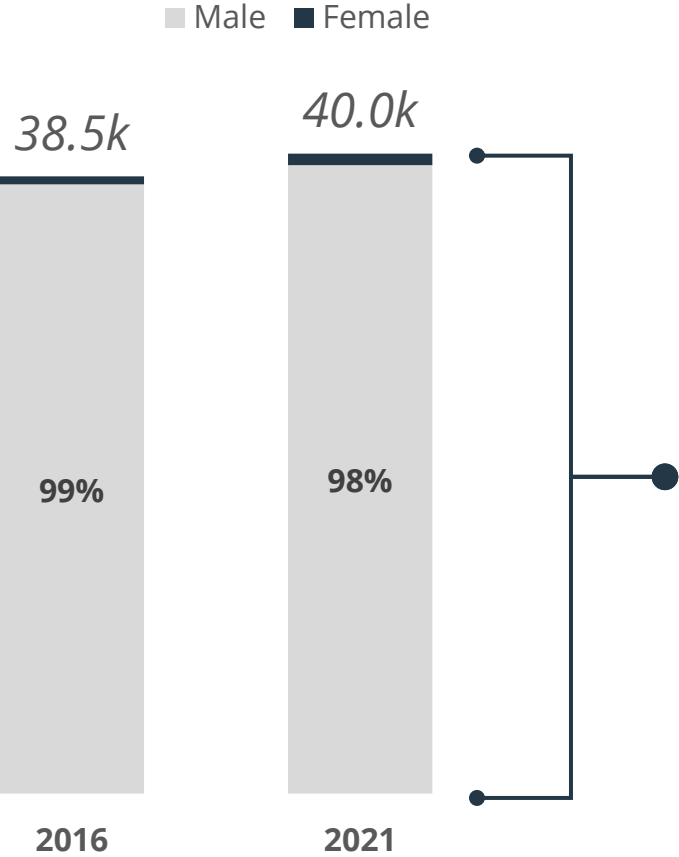
79.3k

Motor Mechanics Across All Industries
(2021 ABS Census)

Qualified Technicians

Qualified Technicians remain heavily male, with less than 1,000 women currently in this role across the country (although this number has more than doubled since 2016)

Technicians by Gender and State, within Automotive Service & Repair Workshops



Qualified Technicians

Workshop research has quantified the current technician shortage at almost 28,000 qualified workers; this is predicted to exceed 30,000 by the end of the decade

Projected Qualified Technician Shortage

27.7k

x

1

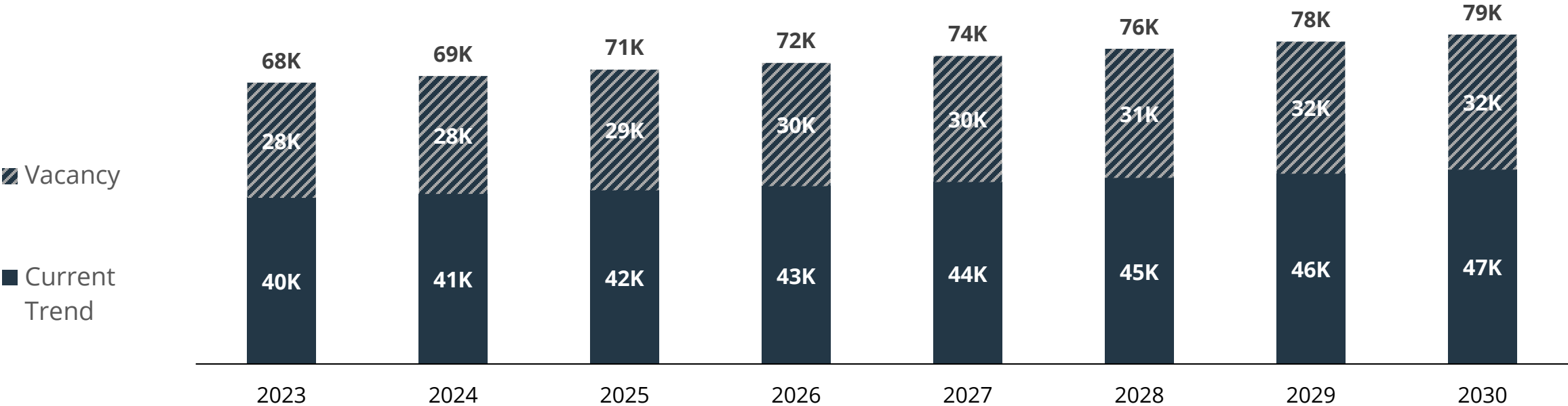
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27.7k

Workshops in Australia
(2023 ABS Business Counts)

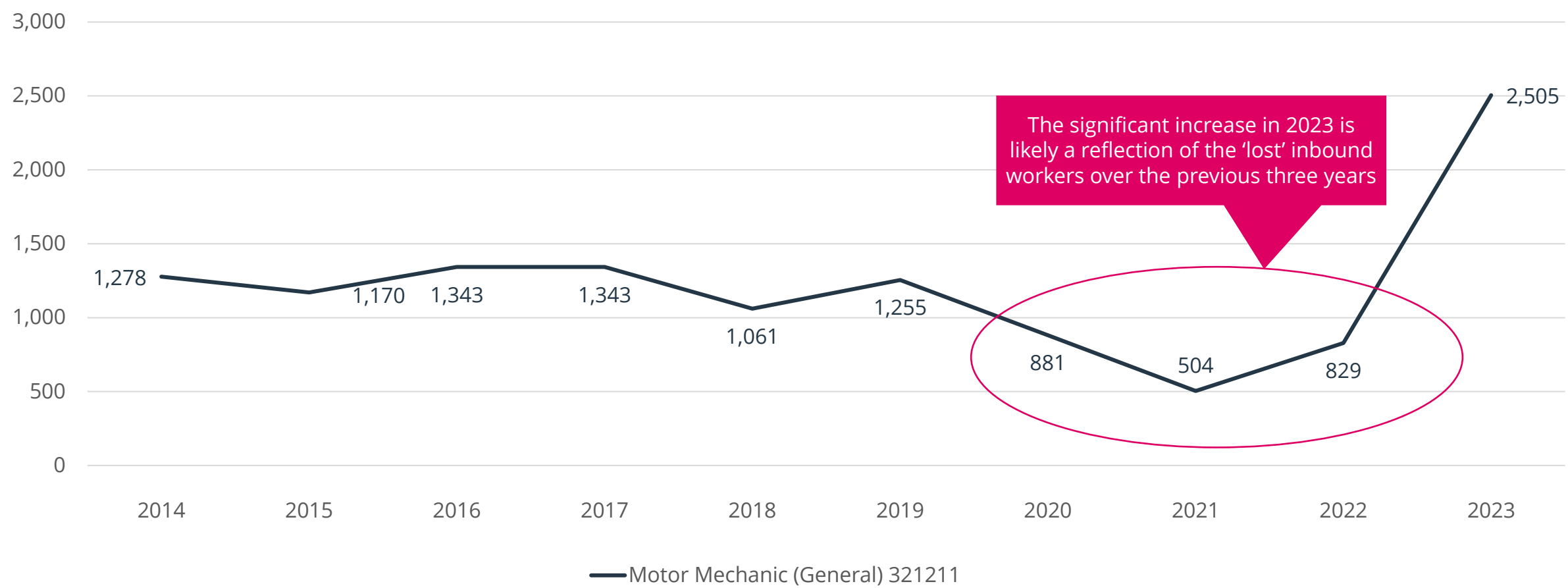
Avg. Qualified Tech Vacancies
(2023 AAAA Technician Salary Benchmarking)

Qualified Tech Vacancies for
Aftermarket Workshops



Australian workshops are effectively using overseas labour to support their local team, but the volumes are not significant enough to overcome the current (and growing) shortage

Visas Granted over time, within Occupation - 321211 Motor Mechanics





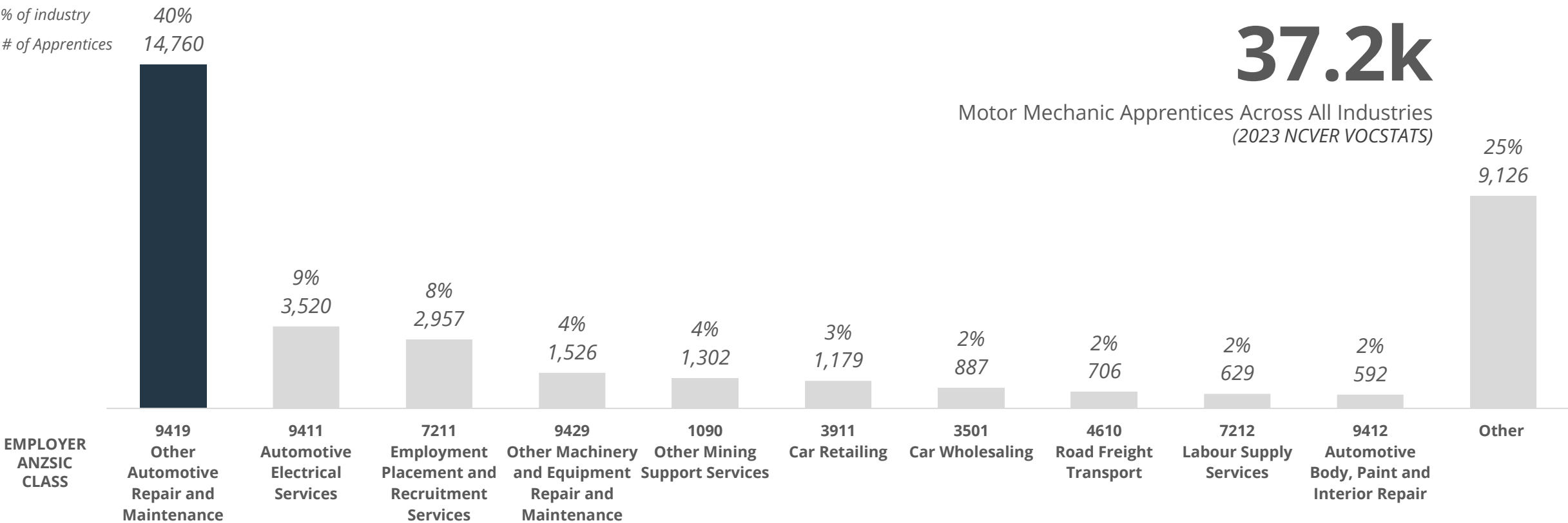
**AUSTRALIAN AUTOMOTIVE
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APPRENTICE TECHNICIANS

Apprentice Technicians

There are current 34,500 apprentice motor mechanics in training, but less than half are working in service & repair workshops (with many employed in adjacent sectors)

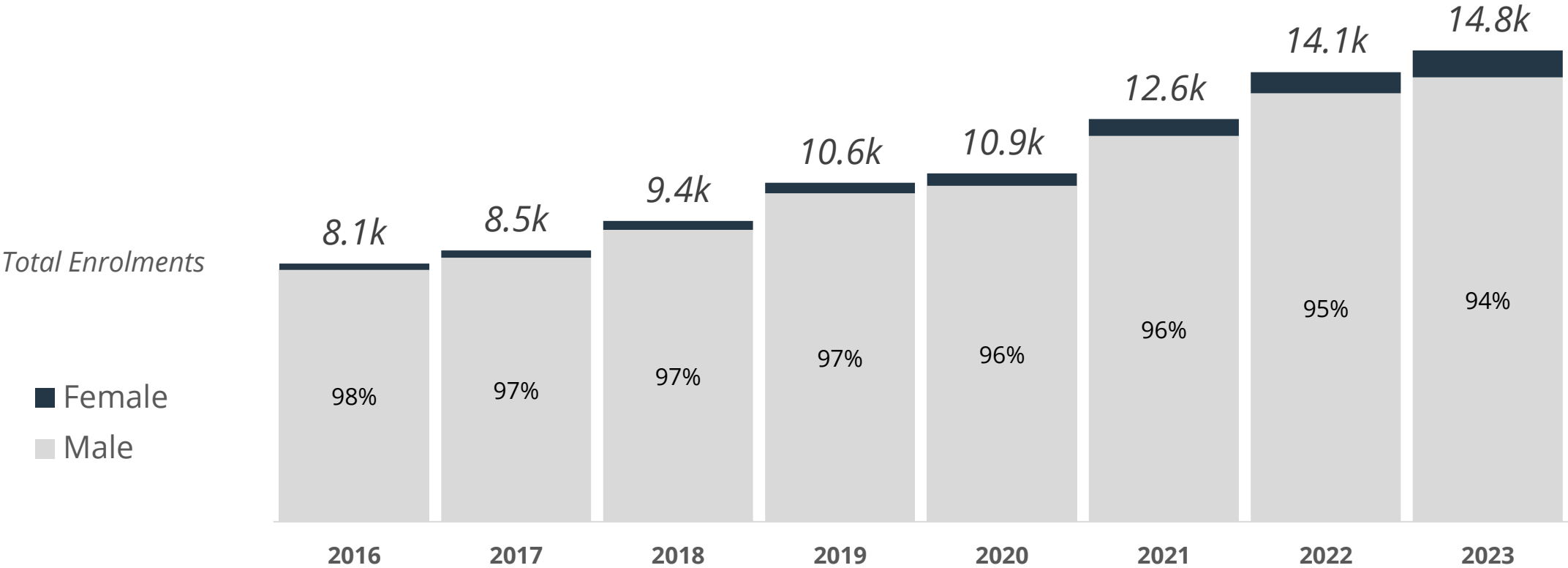
Top 10 Employer Industries of Apprentices within Occupation - 321211 Motor Mechanics



Apprentice Technicians

The vast majority of current apprentices are still male, but female enrolments have more than doubled over the past five years; over time, this will hopefully continue to increase

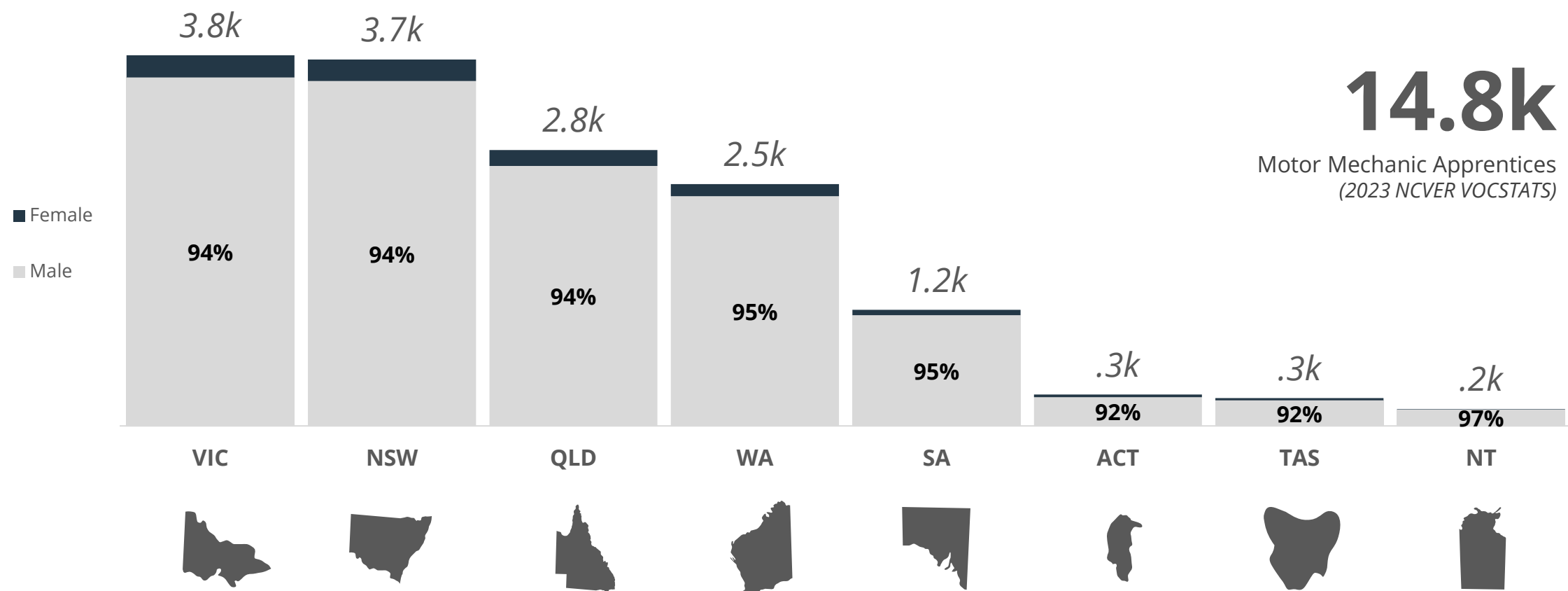
Motor Mechanic Apprentices Employed in 9149 – Other Automotive Repair and Maintenance



Apprentice Technicians

Apprentices are more likely to be located in the more populated east coast states, but there are also a significant number employed in West Australian aftermarket workshops

321211 Motor Mechanic Apprentices Working in 9149 – Other Automotive Repair and Maintenance



Apprentice Technicians

The current supply of apprentices to aftermarket workshops is half the current demand, with the shortage forecast to reach 16,000 roles by the end of the decade

Projected Apprentice Shortage

Occupation: 321211 - Motor Mechanics
Employer: 9419 - Other Automotive Repair and Maintenance

27.7k

x

0.5

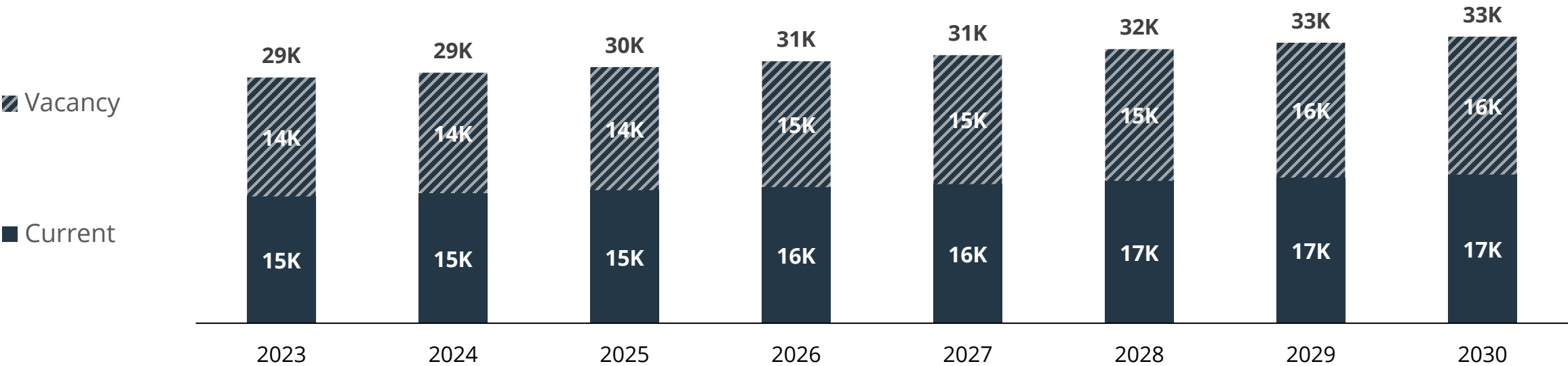
=

14k

Workshops in Australia
(2023 ABS Business Counts)

Avg. Apprenticeship Vacancies
(2023 AAAA Technician Salary Benchmarking)

Apprentice Vacancies





**AUSTRALIAN AUTOMOTIVE
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SERVICE & REPAIR

Consumer Jobs

16m

Consumer passenger/LCVs
(2023 BITRE Road Vehicles)

x

1.76

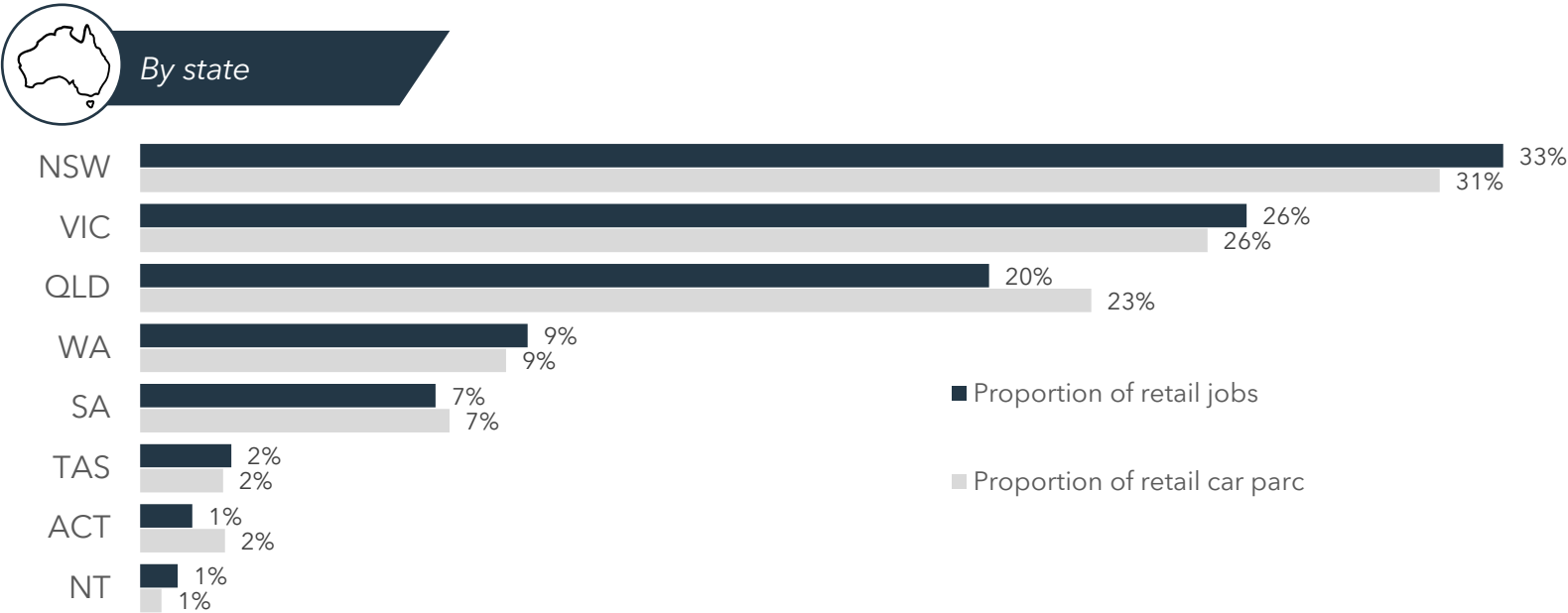
Avg. number of services p/vehicle
(2024 FQ Consumer Auto Survey)

=

28m

Service & Repair Jobs p/year

Share of Total Service & Repair Jobs



Consumer Spend

\$250

Median spend p/service
(2024 FQ Consumer Auto Survey)

x

28m

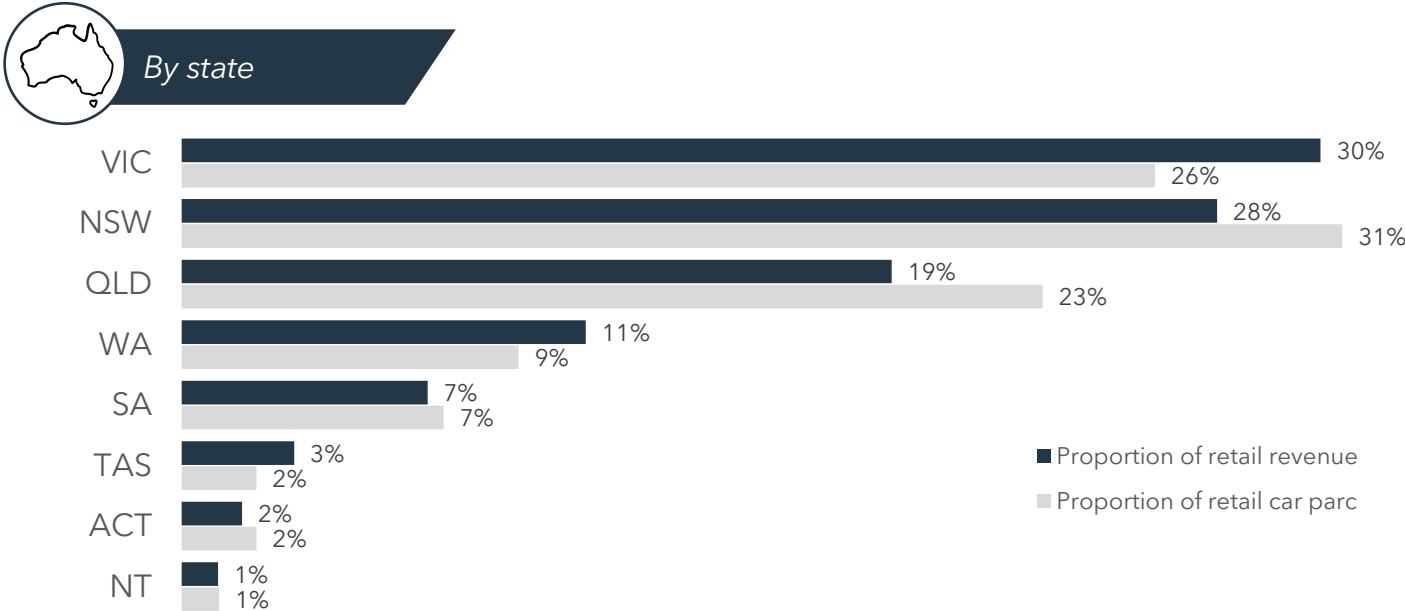
Service & Repair Jobs p/year

=

\$7bn

Total consumer spend

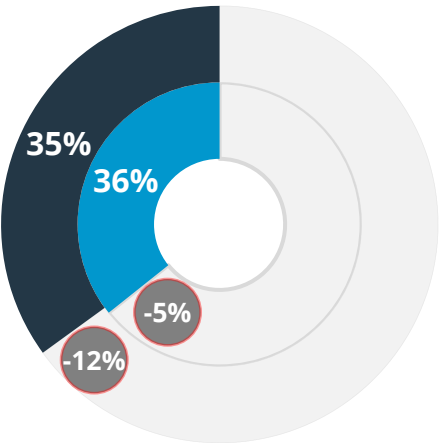
Share of Total Consumer Spend



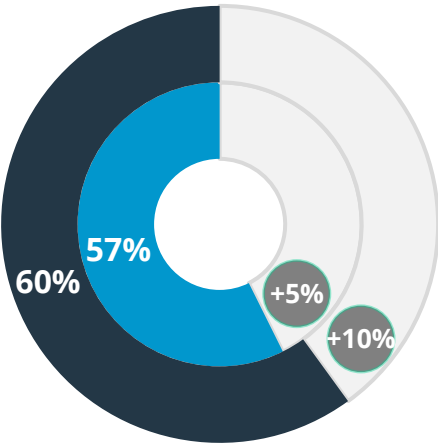
Consumer Share Of Services Vs. Revenue

● Share of consumer services ● Share of consumer revenue ● -% Change from 2021

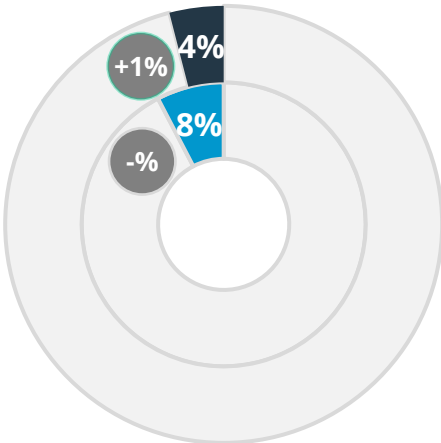
DEALERSHIP



AFTERMARKET



DIY



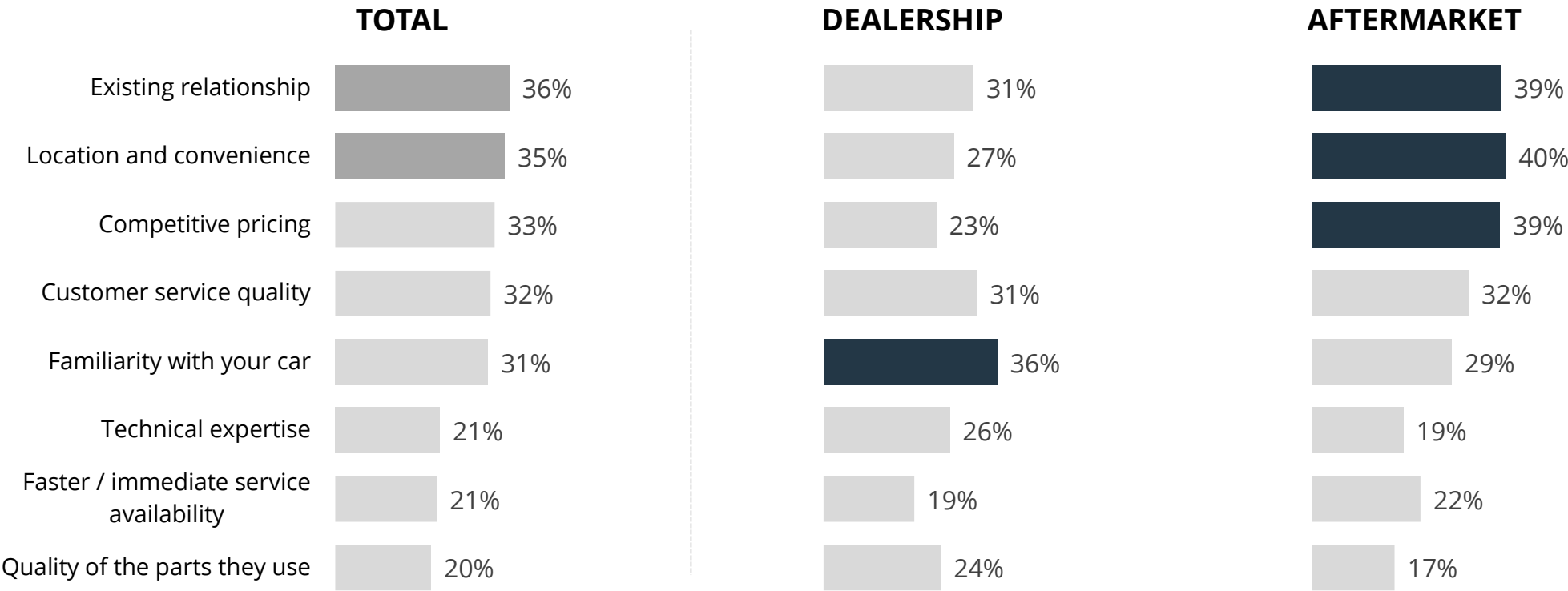
Consumer Attitudes

(2024 FQ Consumer Auto Survey)

Highlight > 35%

Reasons For Location Of Servicing

**Amongst those who have had their vehicle serviced by a professional*

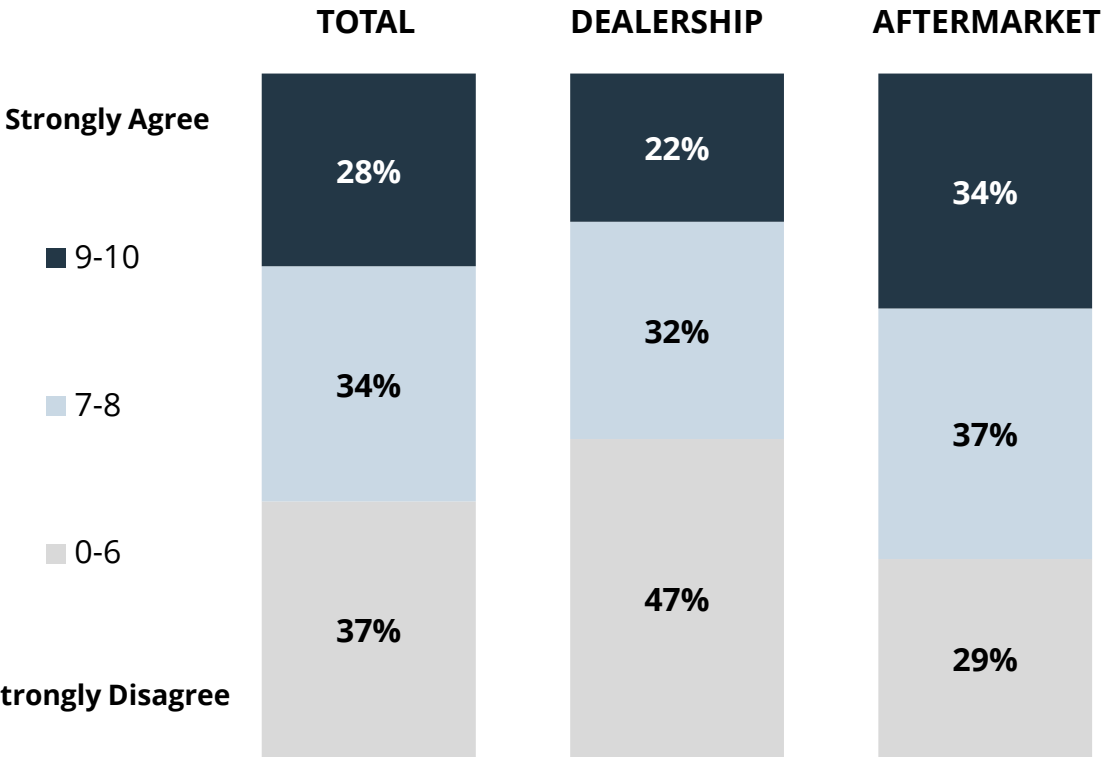


Consumer Attitudes
(2024 FQ Consumer Auto Survey)

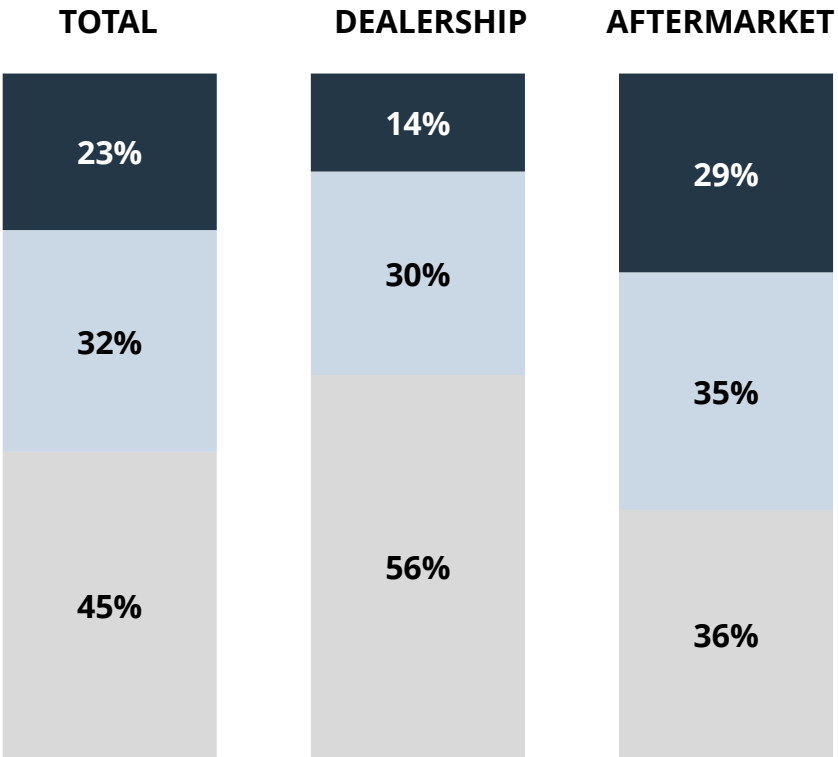
**Amongst those who have had their vehicle serviced by a professional*

“To what extent do you agree or disagree with the following statements”

I trust my local mechanic



Local mechanics are cheaper than dealership workshops



As fleets spend much more per vehicle on servicing & repair, the relatively smaller pool of vehicles still equates to \$3bn total revenue

Fleet Spend

\$800

Median spend p/vehicle

x

3.7m

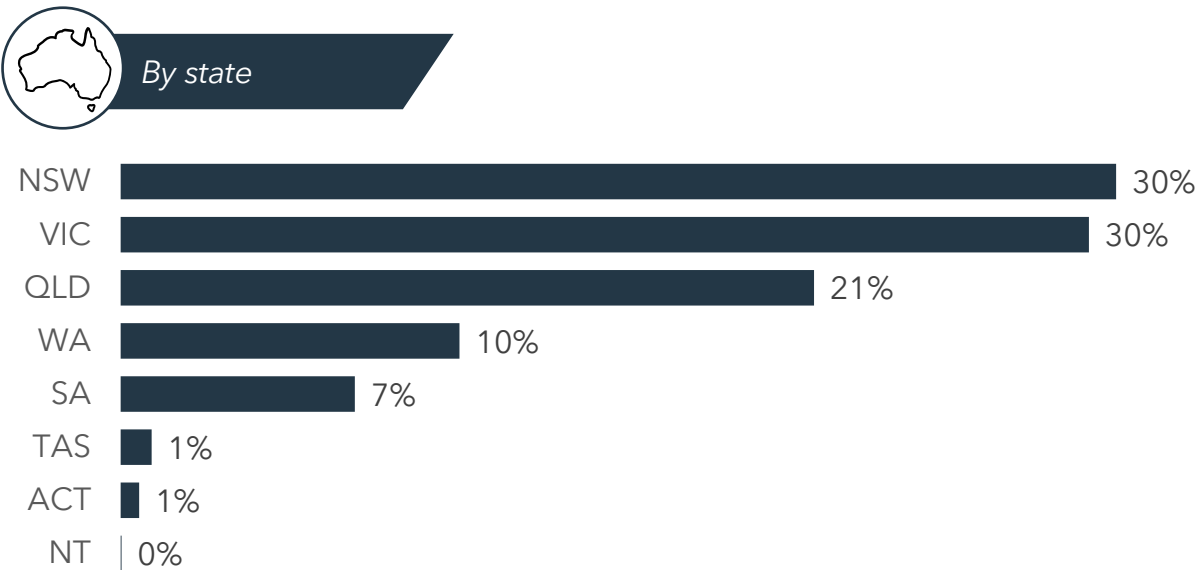
Fleet passenger/LCVs
(2024 FQ Fleet Insights)

=

\$3bn

Total fleet spend

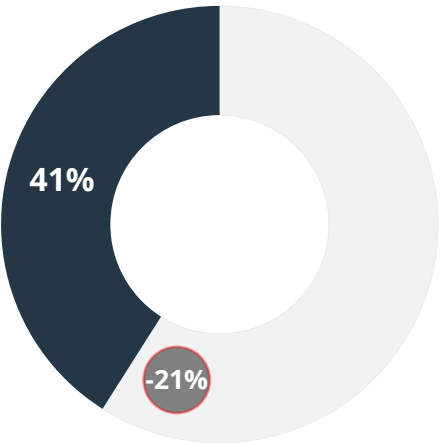
Share of Total Fleet Spend



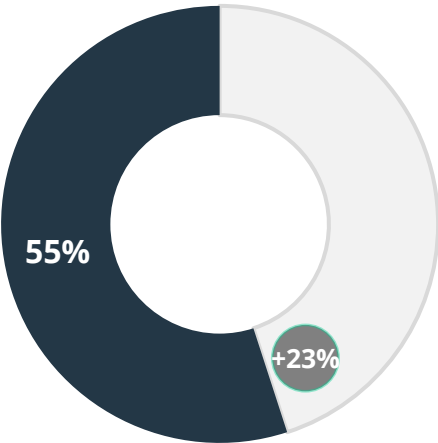
Fleet Share Of Services

● Share of fleet services ● -% Change from 2021

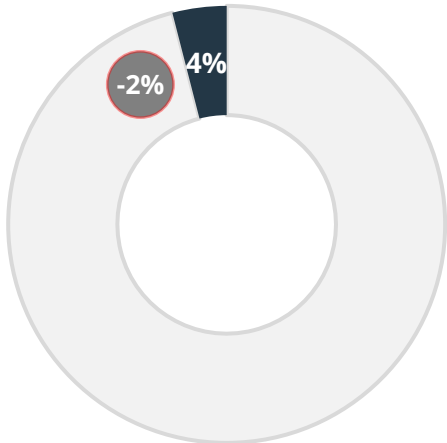
DEALERSHIP



AFTERMARKET



IN HOUSE



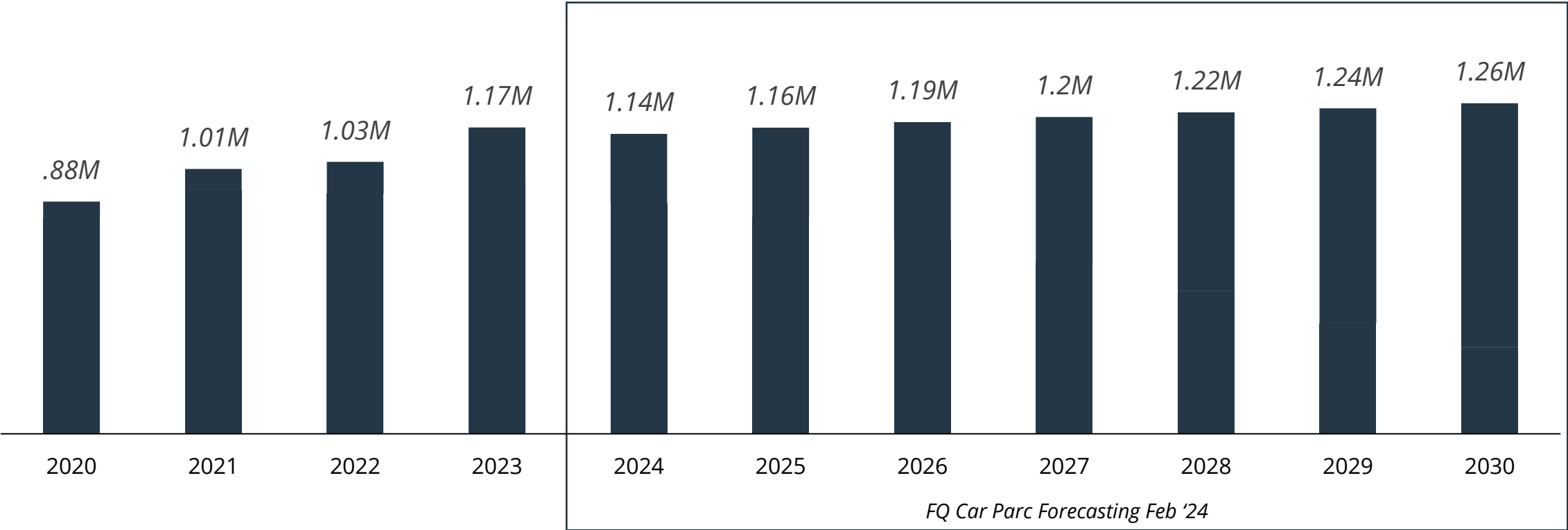


**AUSTRALIAN AUTOMOTIVE
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CAR PARC

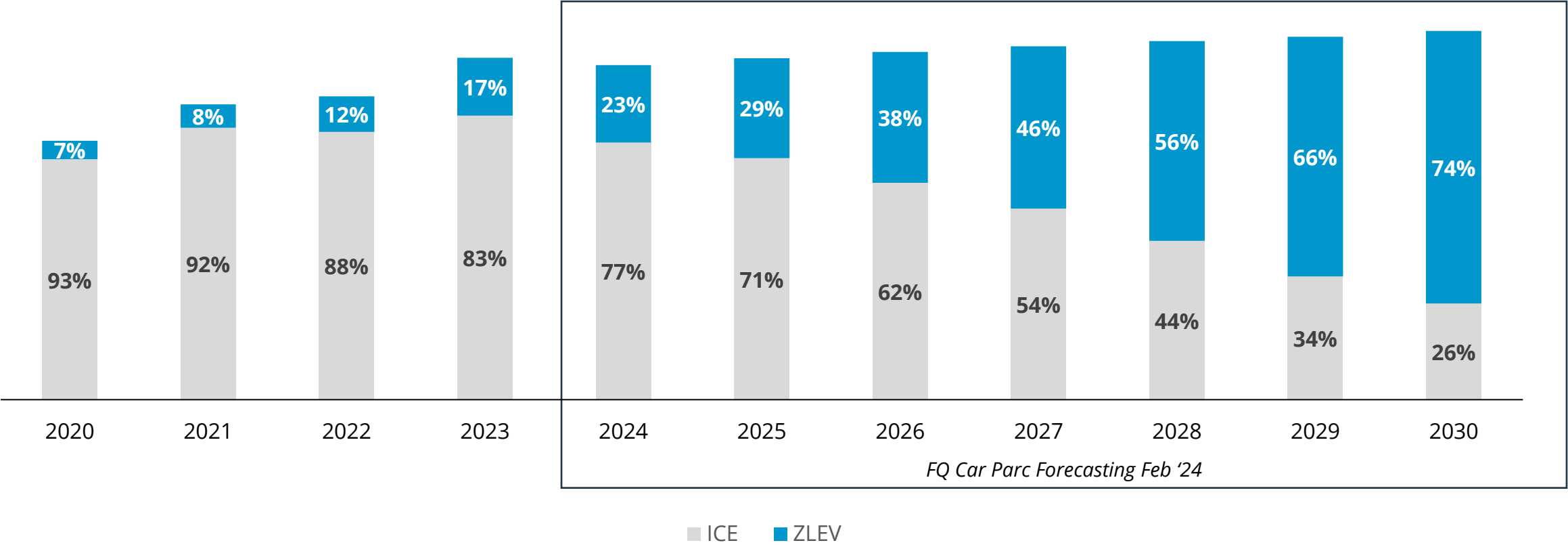
New vehicle sales continue to rebound from covid times, and are forecasted for continued growth to the end of the decade

Passenger and Light Commercial Vehicles
New Vehicle Sales



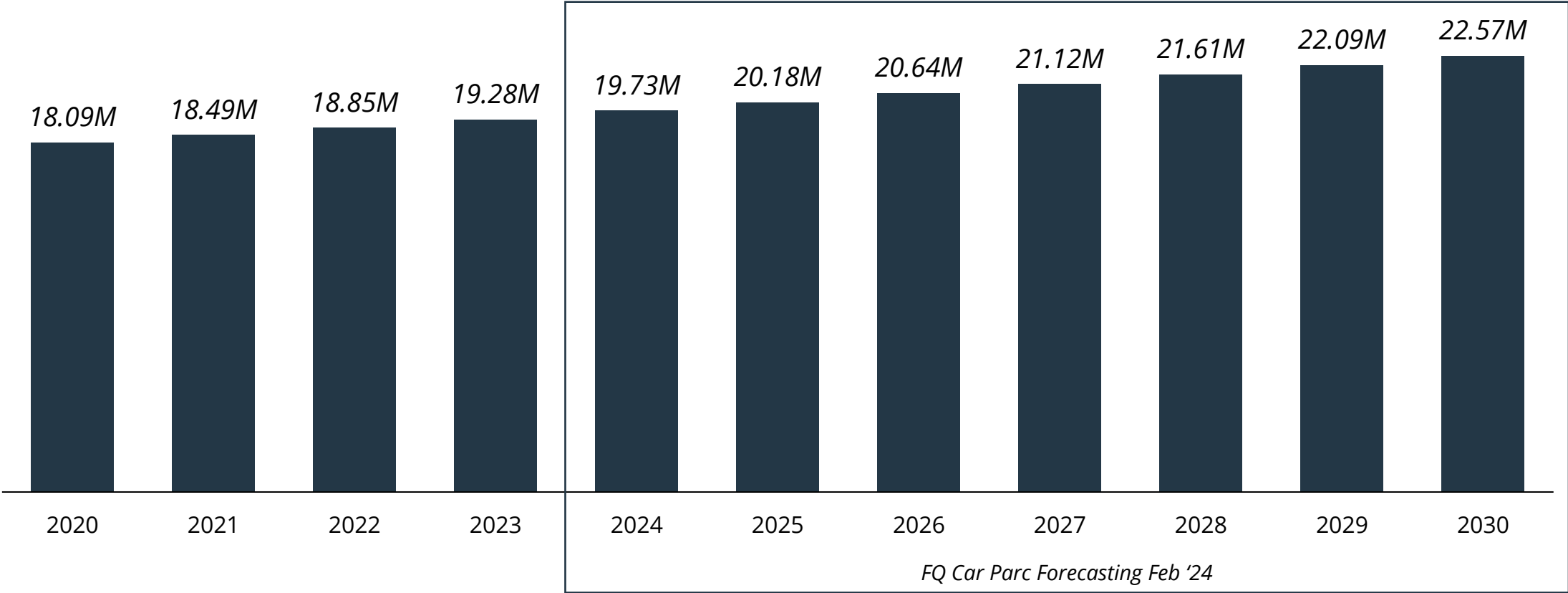
Electric and Hybrid Vehicles sales are growing year on year and are projected to be a majority of new vehicle sales by 2028

Passenger and Light Commercial Vehicles
New Vehicle Sales



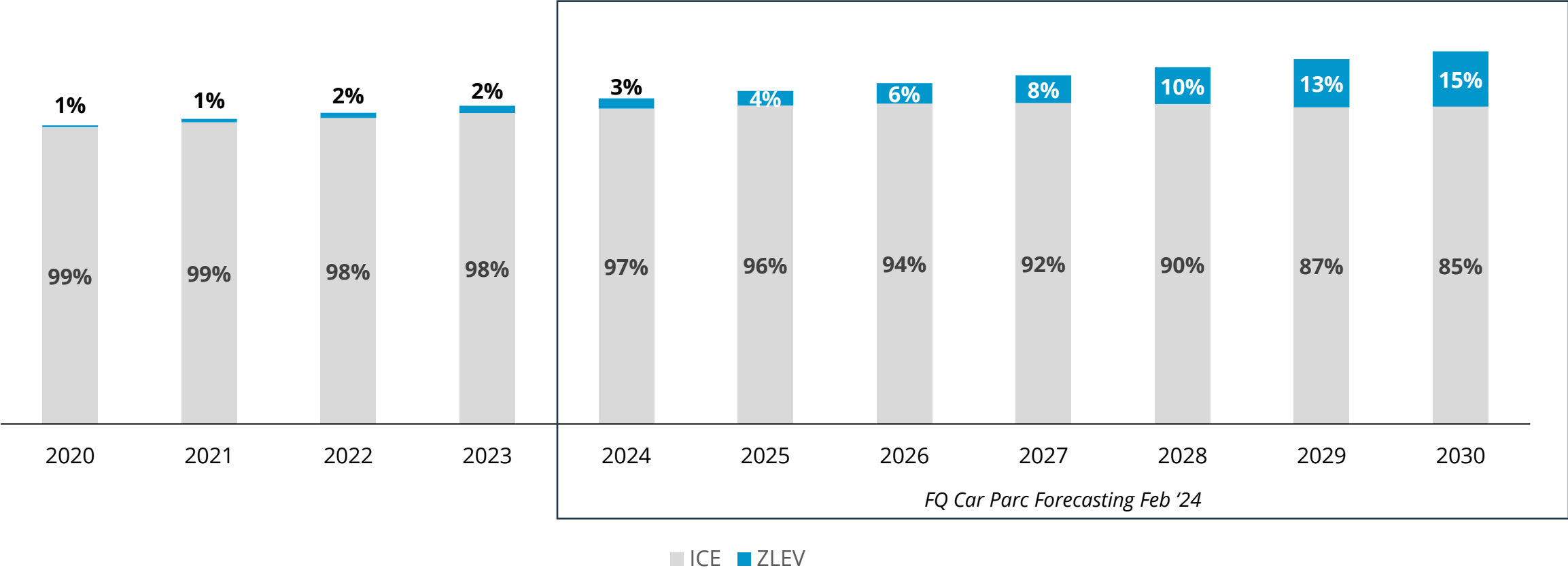
Strong new vehicle sales and population growth mean the passenger and light commercial car parc will also continue to expand, exceeding 22 million vehicles by 2030

Passenger and Light Commercial Vehicles
Total Car Parc



Despite substantial growth in sales of zero or lower emission vehicles, ICE powered vehicles will continue to dominate the car parc at the end of the decade

ZLEVs % of Total Car Parc



The growing car parc is offsetting reduced vehicle usage to maintain service volumes, with consumers likely only servicing when they ‘have to’ rather than ‘need to’

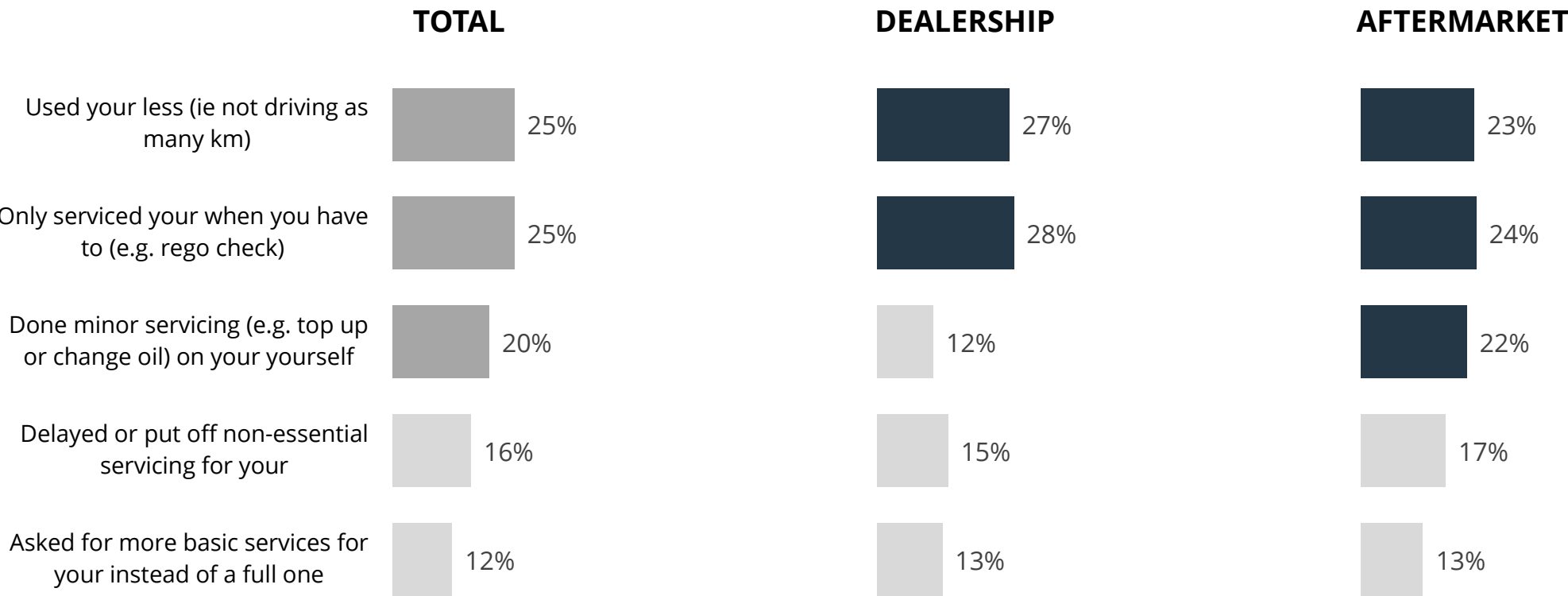
Consumer Attitudes

(2024 FQ Consumer Auto Survey)

Highlight > 20%

Servicing Attitudes

**Amongst those who have a vehicle in their household*



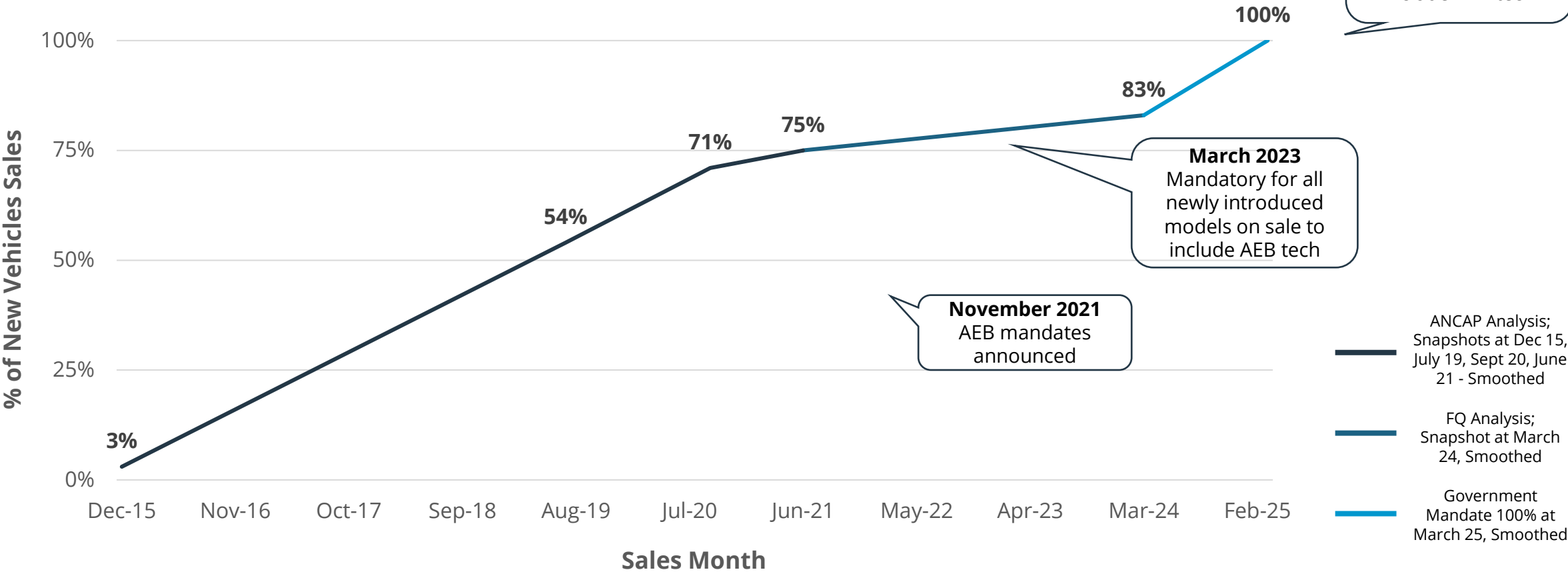


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TECHNOLOGY INVESTMENT

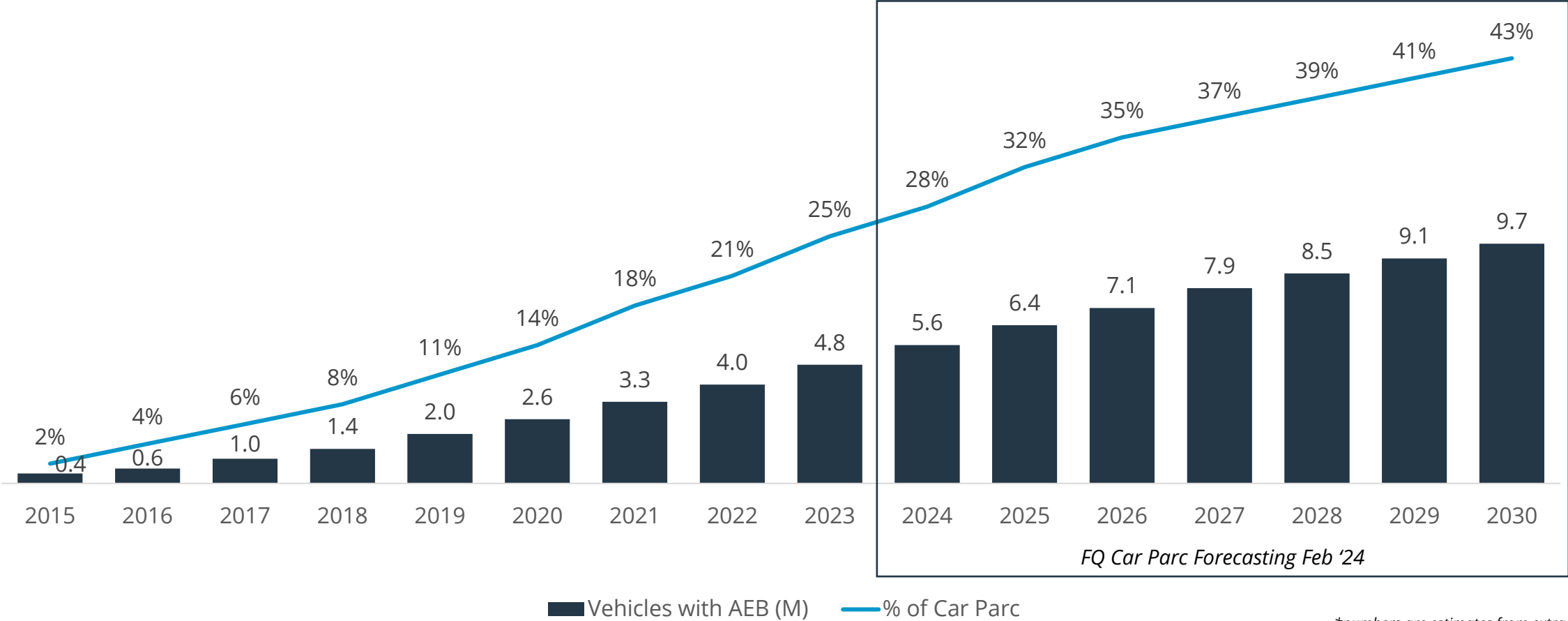
A range of safety technologies are becoming increasingly prevalent within the Australian car parc, with driver assist technologies such as AEB now required in all new vehicles

Availability of Autonomous Emergency Braking (AEB) in the Australian new passenger & light vehicle market



In real terms, this will translate to almost 10m vehicles with AEB by the end of the decade, meaning service and repair workshops will need a level of comfort with the tech

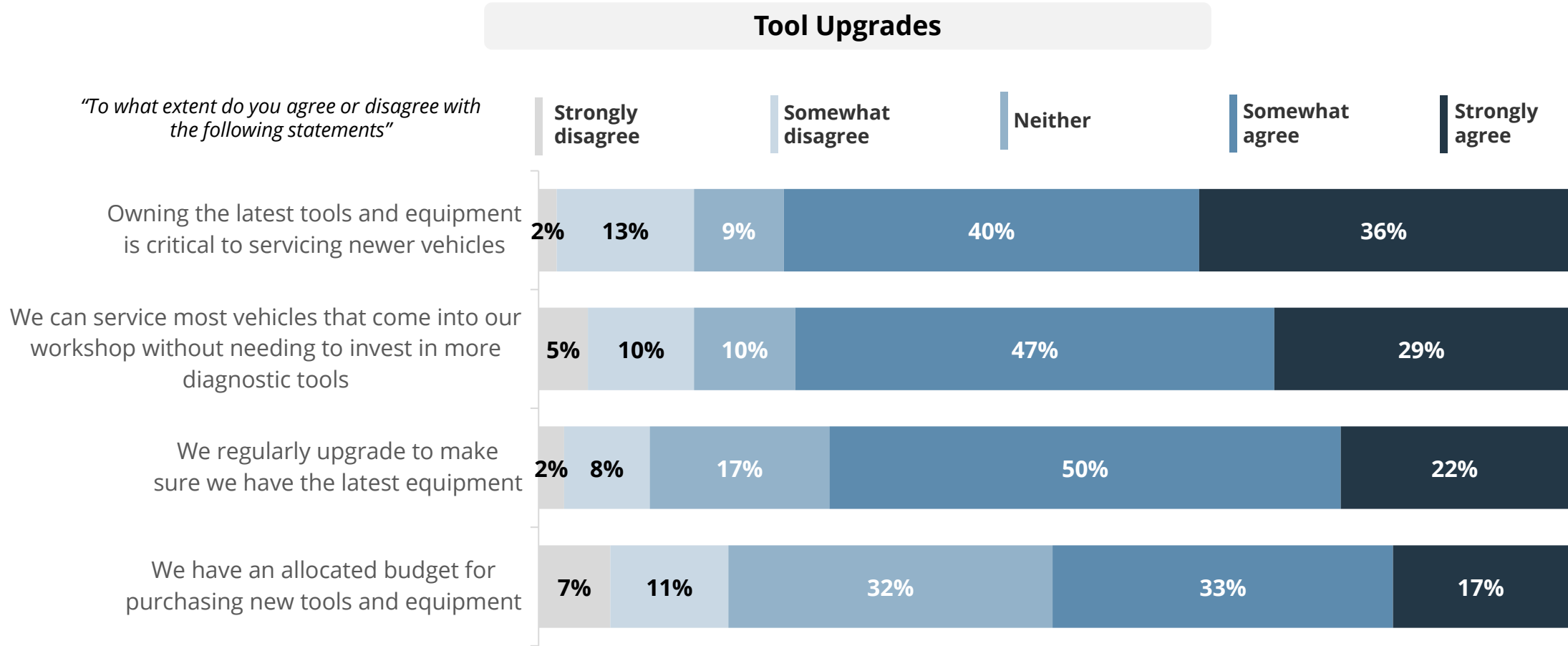
Vehicle with AEB in Car Parc



**numbers are estimates from extrapolating point in time new vehicle sales and scrappage %s applied*

Workshop Attitudes

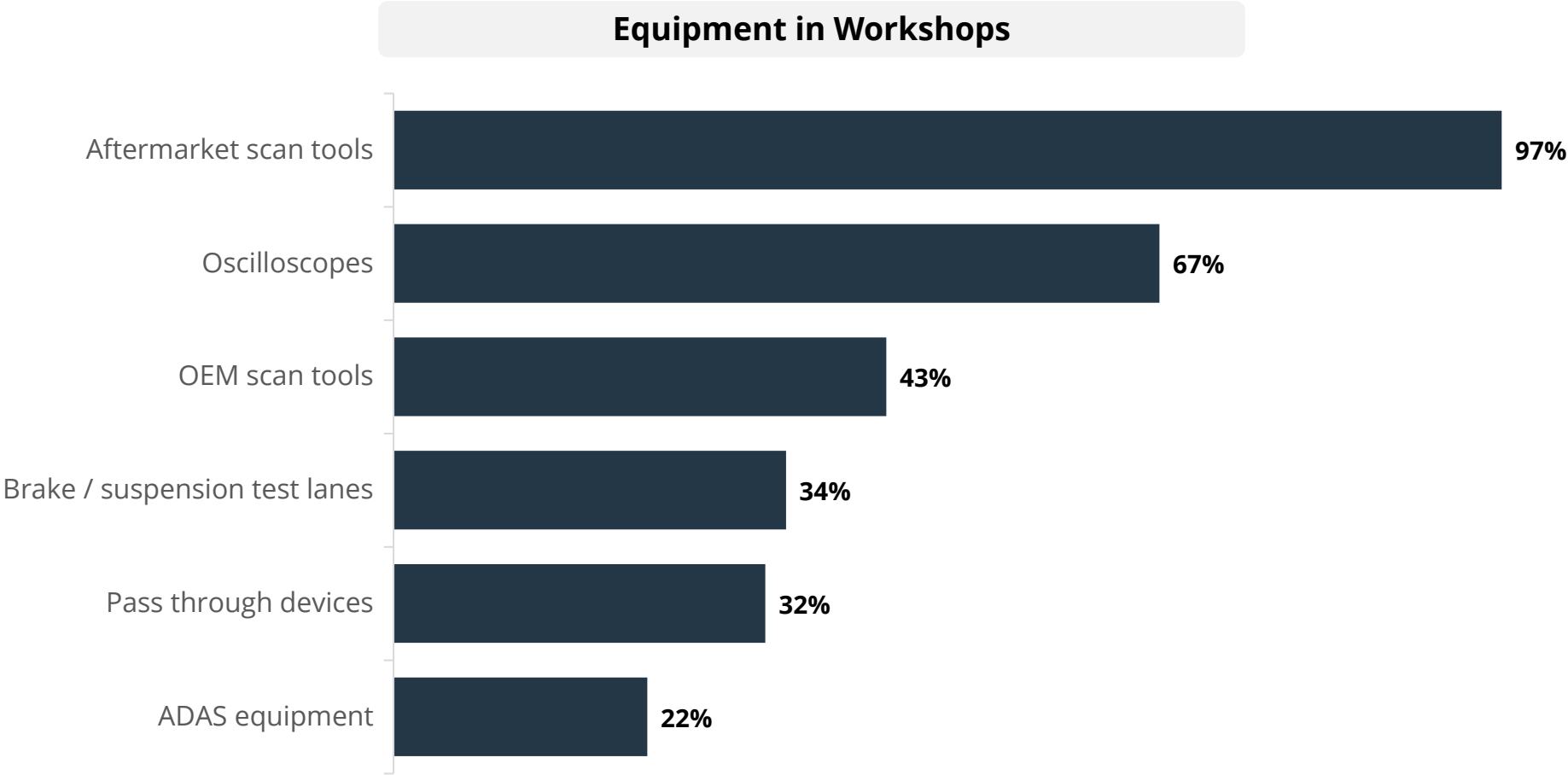
(2023 AAAA Future Readiness Index Report)



Technology Investment

This includes a wide range of OEM and aftermarket diagnostic and service tools and equipment

Workshop Equipment (2023 AAAA Future Readiness Index Report)



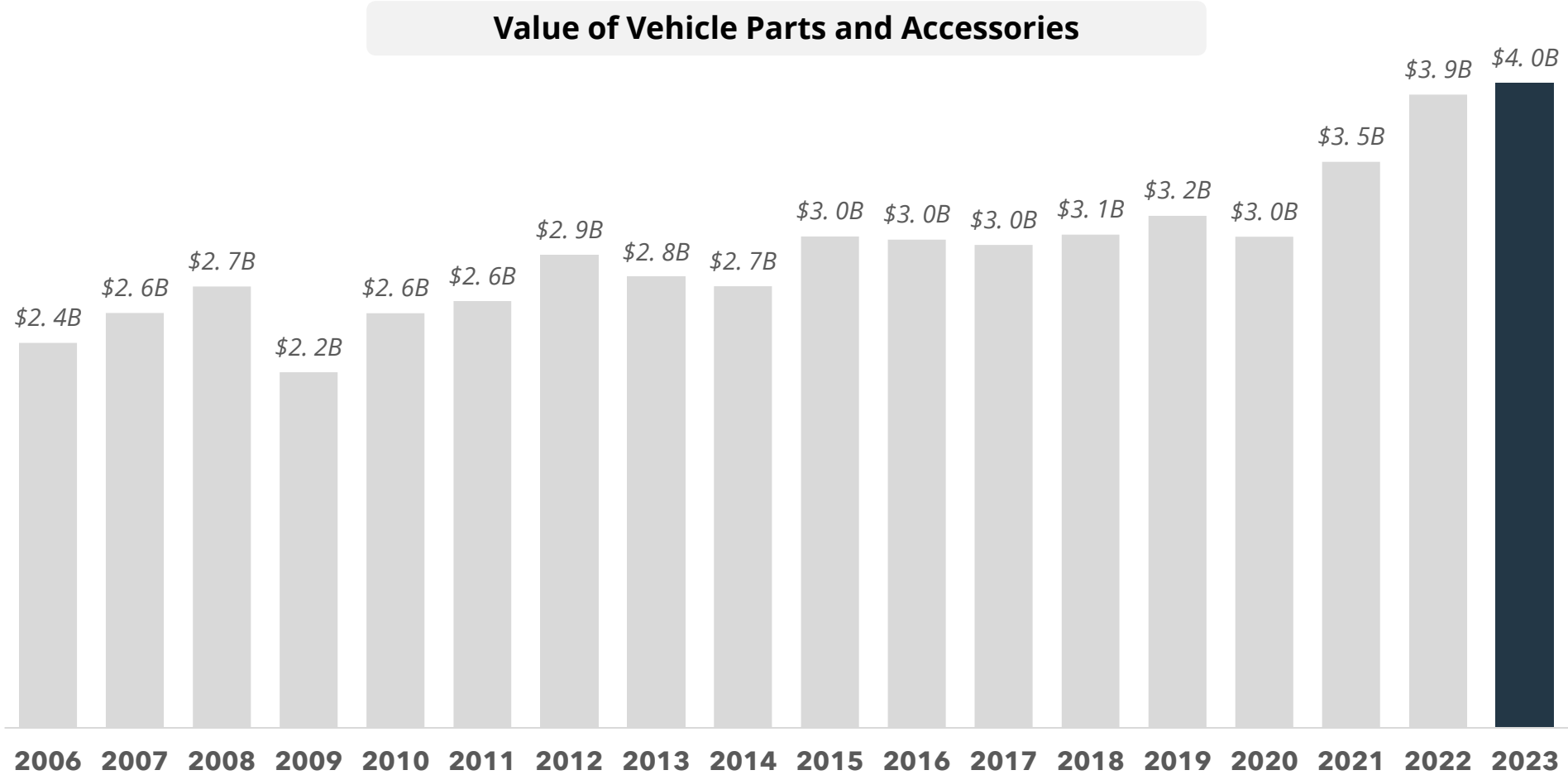


**AUSTRALIAN AUTOMOTIVE
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IMPORTS & EXPORTS

The value of imported vehicle parts and accessories has increased by almost 50% over the past decade, demonstrating the growth in the industry (and increased input costs)

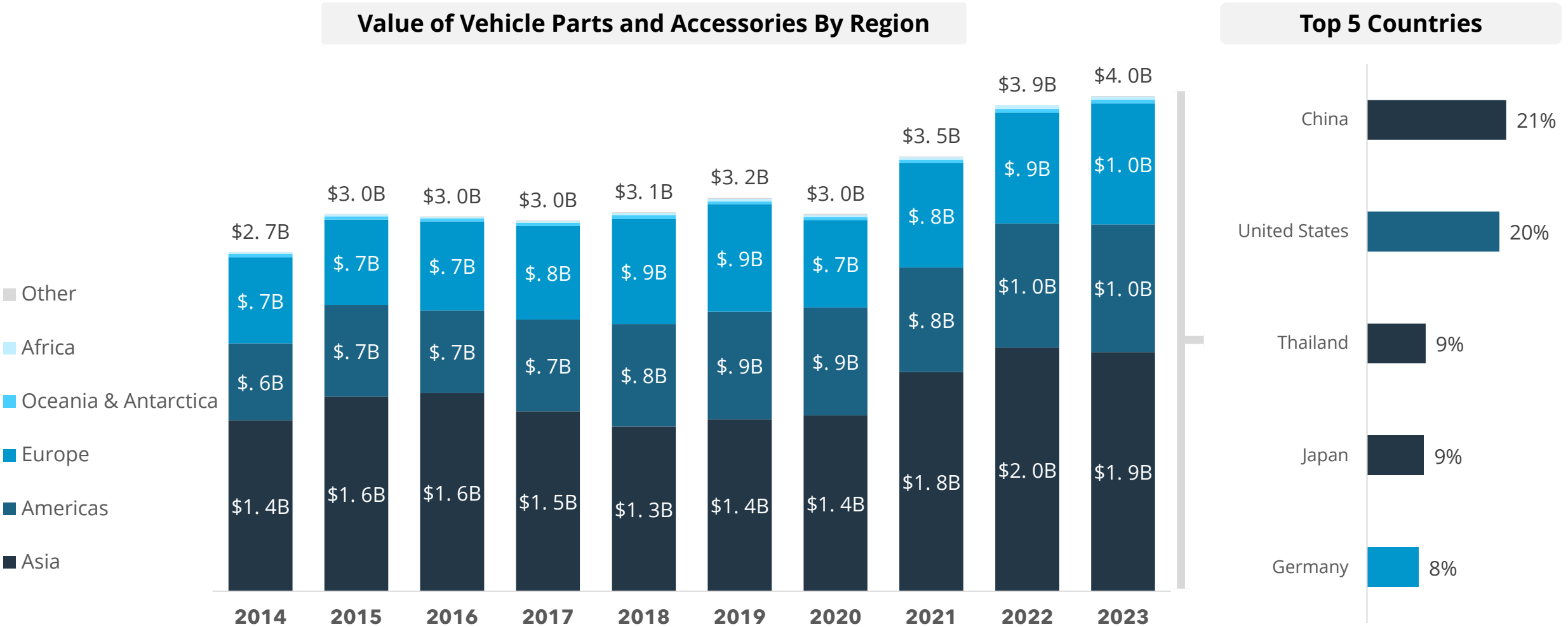
Imports



Imports & Exports

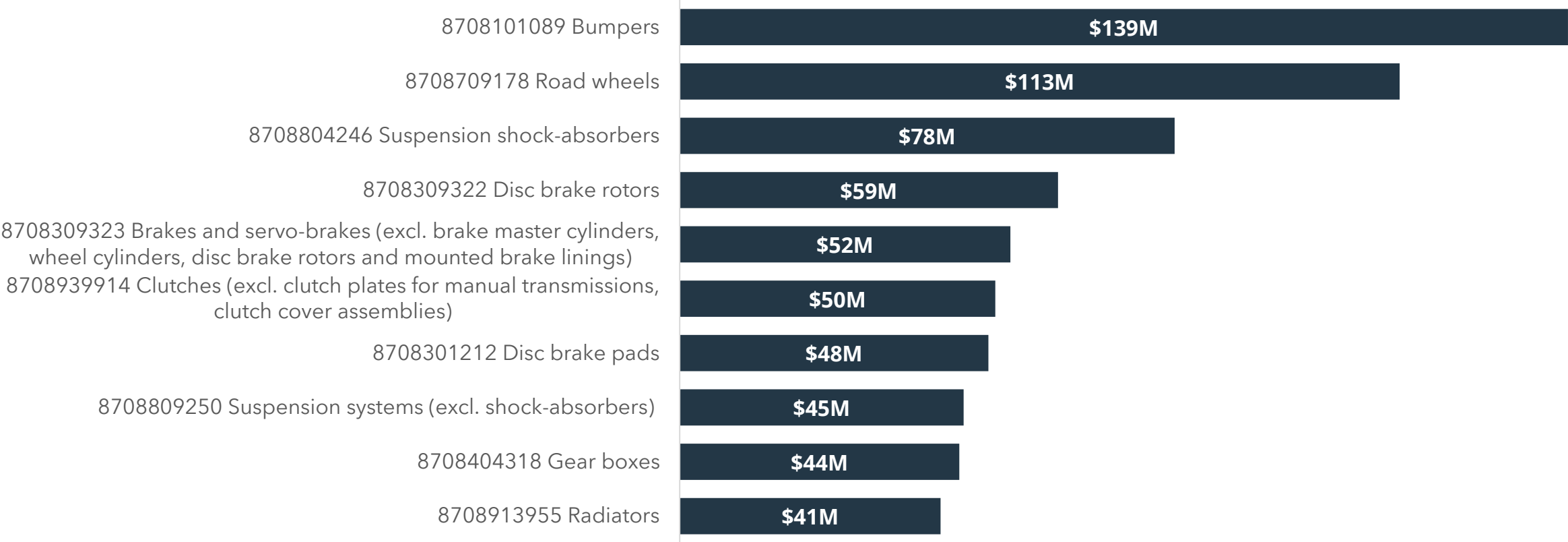
Asian suppliers dominate the import market as a bloc, but the two largest individual supply markets are China and the United States

Imports



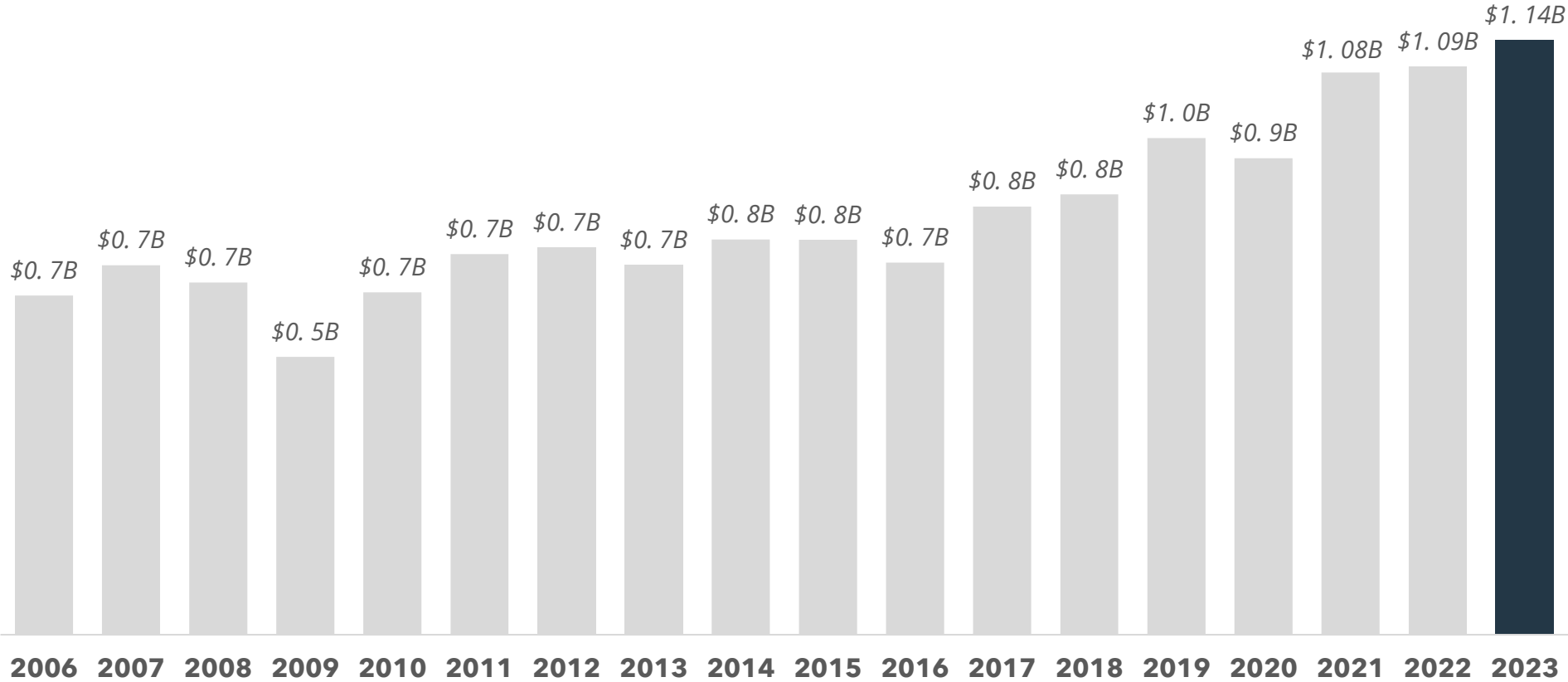
Imports

HTISC: 10 Digit Import Codes – 2023 Value of imported parts “used as components in passenger motor vehicles”



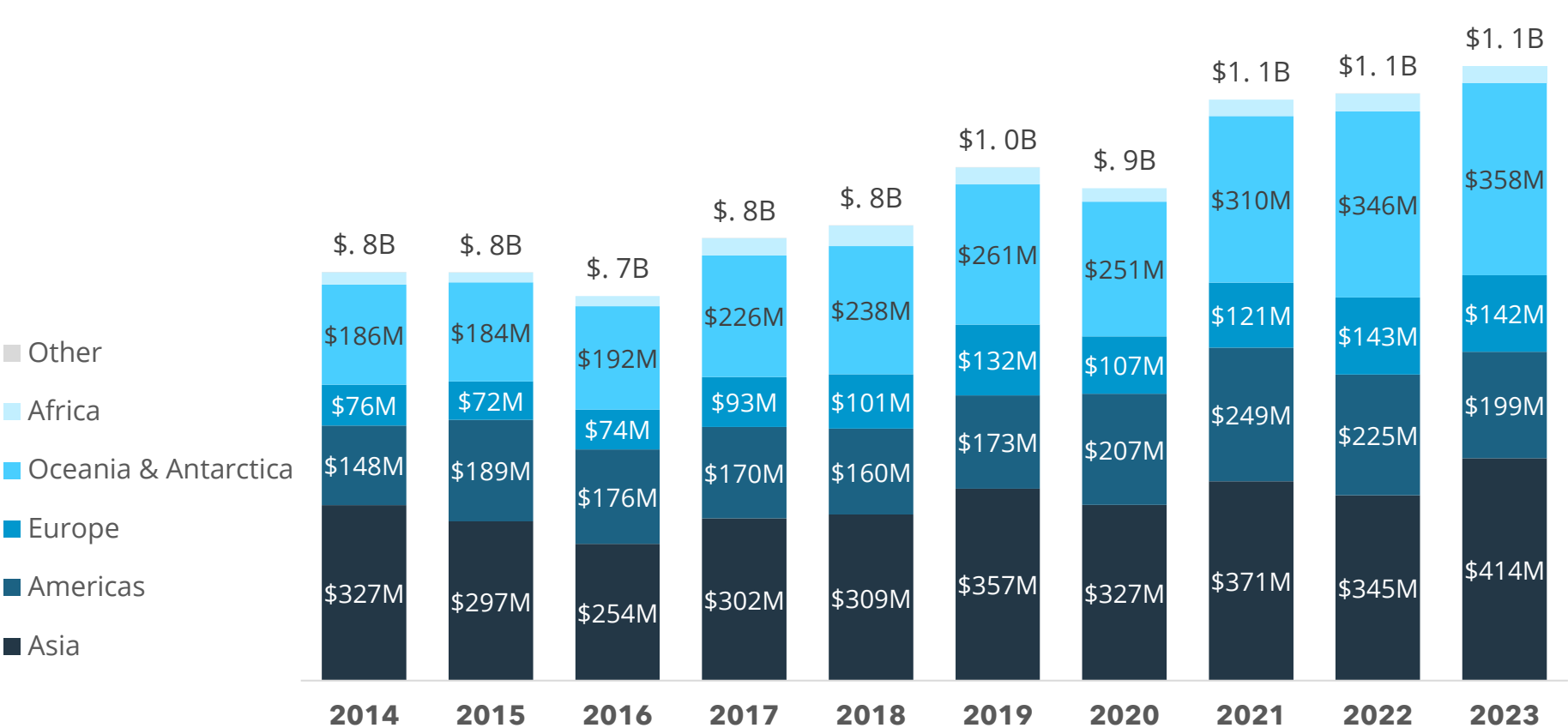
Exports

Value of Vehicle Parts and Accessories

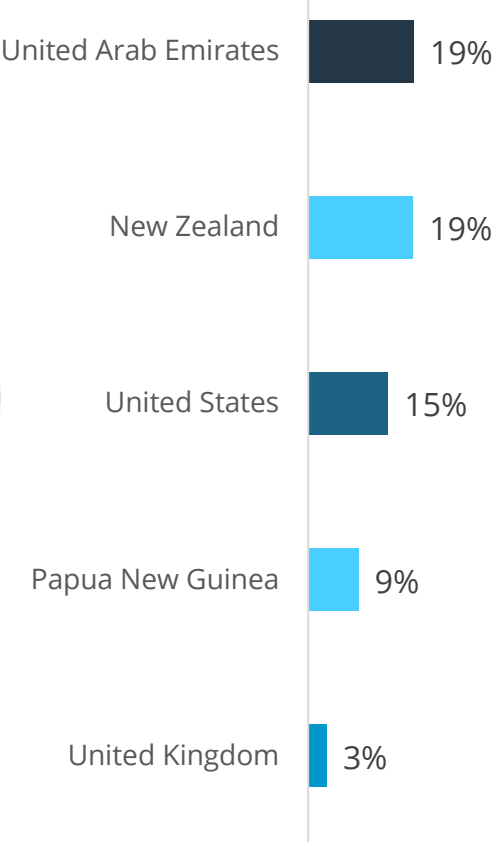


Exports

Value of Vehicle Parts and Accessories By Region



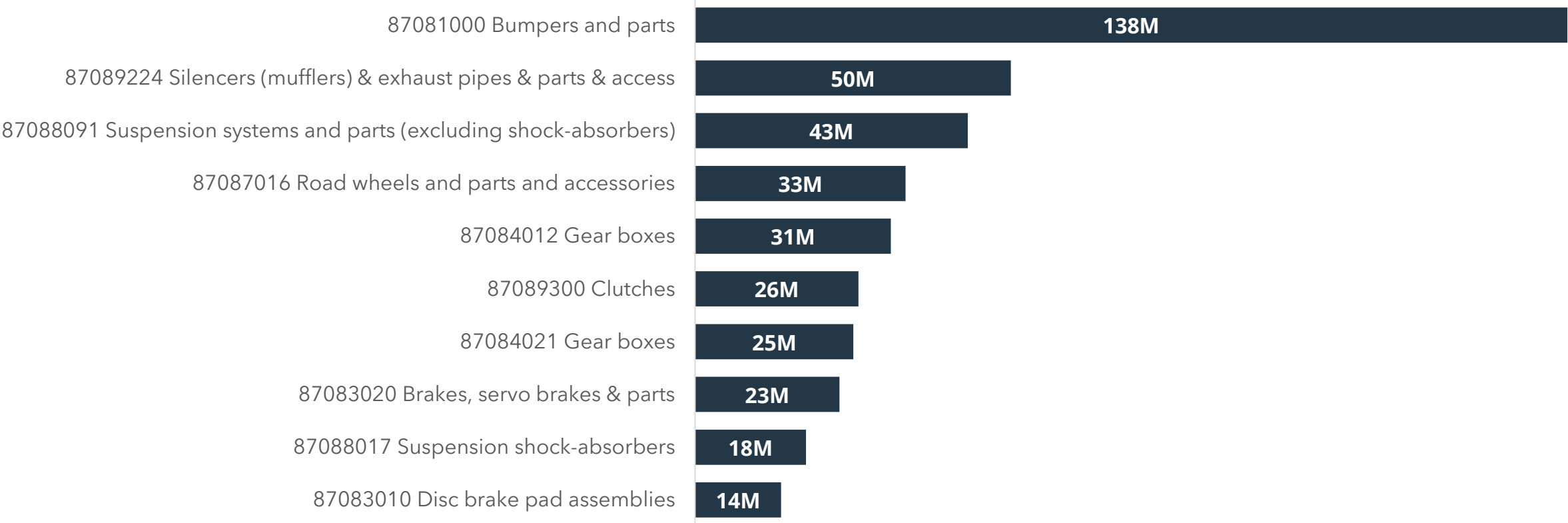
Top 5 Countries



Similar to imports, body parts are the top export category, although there are also substantial volumes of specialised parts (e.g. exhausts, suspension, etc.)

Exports

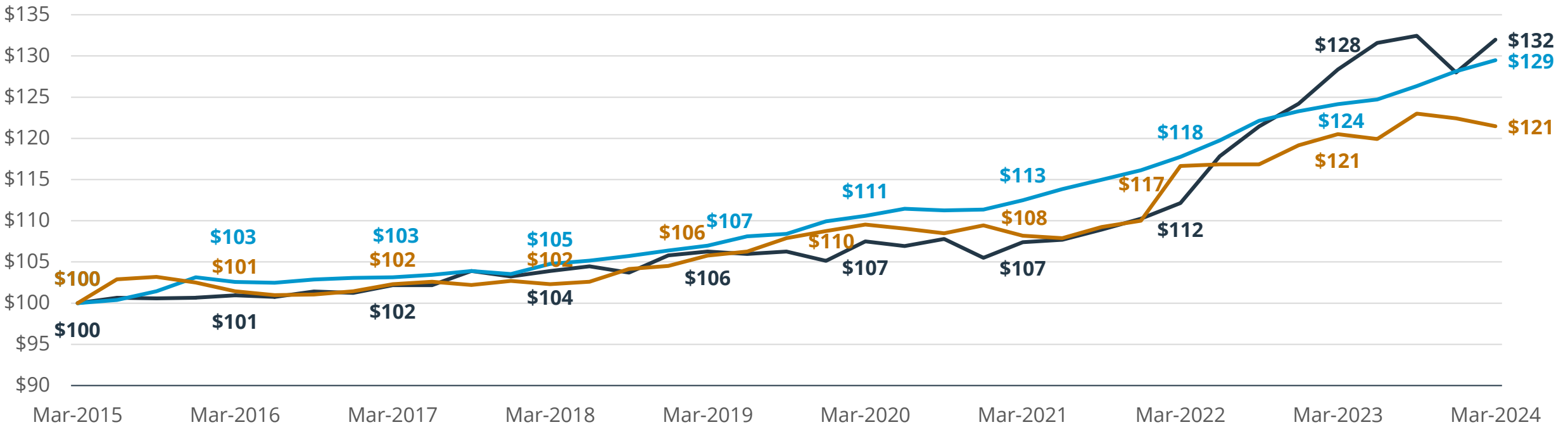
AHECC: 8 Digit Export Codes – 2023 Value of export parts for “tractors (excl. those used on railway platforms), motor vehicles for ten or more persons or trans of goods, cars, mobile drilling derricks, fire fighting, concrete & crane lorries”



Inflation over the past decade has added 20-35% to raw material prices for manufacturers, as well as the cost of parts and servicing work to the end customer

Consumer/ Producer Price Index

How much would \$100 of value in 2015 cost today?



- CPI: Spare parts and accessories for motor vehicles
- CPI: Maintenance and repair of motor vehicles
- PPI: Motor vehicle and motor vehicle part manufacturing

**The Consumer Price Index (CPI) measures household inflation and includes statistics about price change for categories of household expenditure.*

**The Australian PPIs measure the price change of products (goods and services) as they leave the place of production or as they enter the production process. This price change is measured from the perspective of the industries that produce goods and services.*

THANK YOU

For further information, please contact:

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The AAAA regularly commissions research on behalf of members to assess the health and trends within the broader automotive industry and various sectors within. The data gathered provides useful insights and powerful information for business growth and direction. The research also assists the AAAA in affecting regulatory change at a government level on behalf of the industry.

To access more Market Research reports, visit the
[Market Research and Insights page in the AAAA Member Portal HERE.](#)

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