

AAAA State Of The Industry 2024

October 2024



AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION

fifth
quadrant

Contents

- 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

Strategic Objective

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

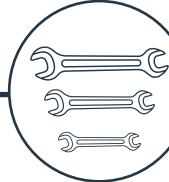
Key Insights

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



27.7k

Automotive service & repair workshops
(2023 ABS Counts of Australian businesses)

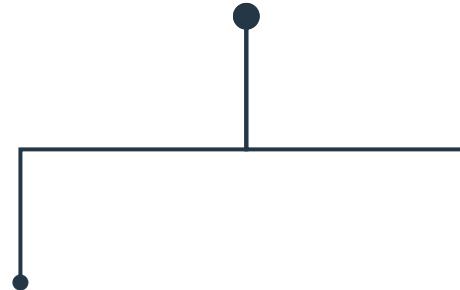


**Automotive
Service & Repair**



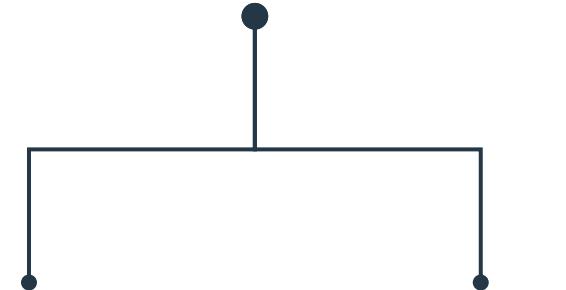
74.8k

Employed In Automotive service & repair
(2021 ABS Census)



Employing businesses

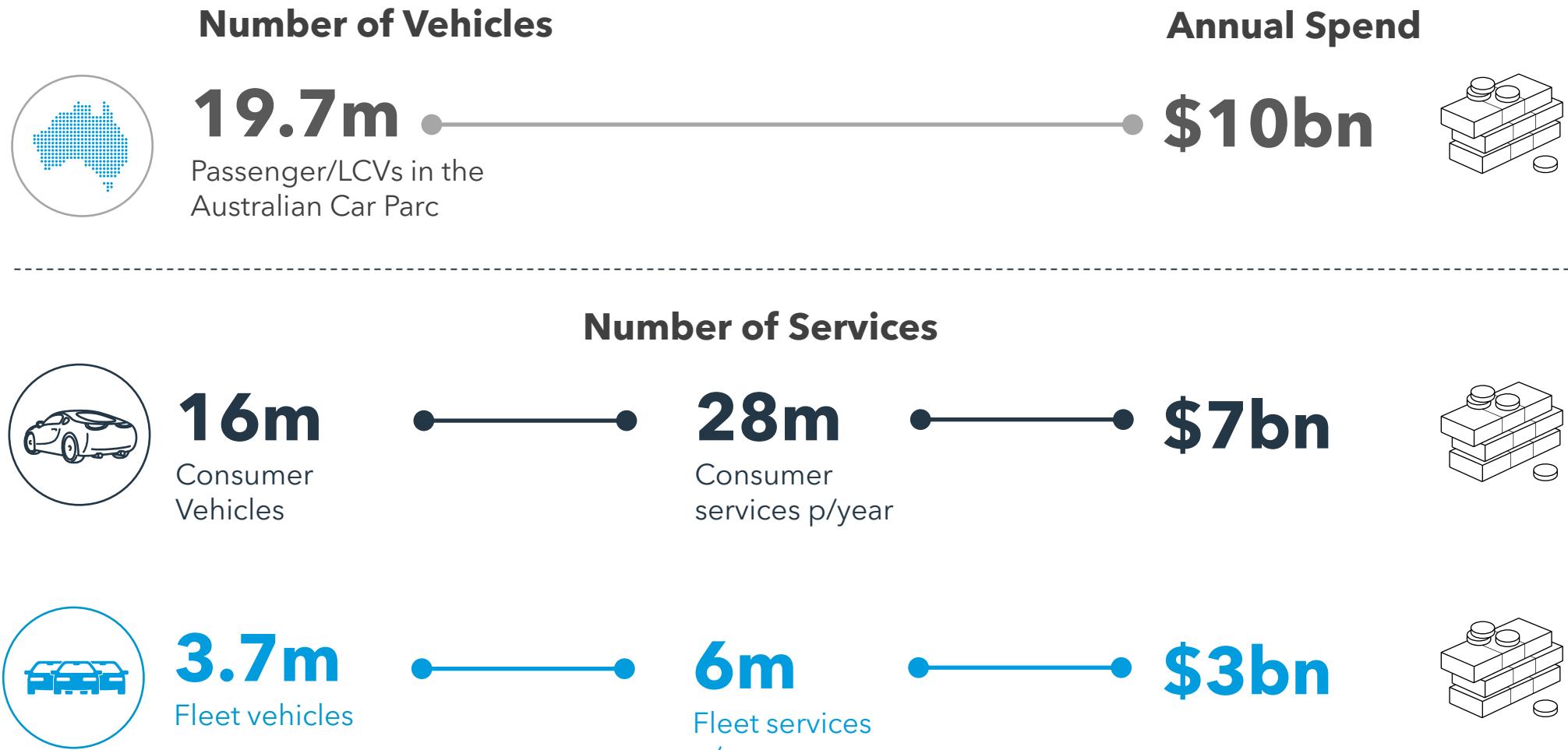
11.8k
Non-employed businesses



Owners
(2021 ABS Census)

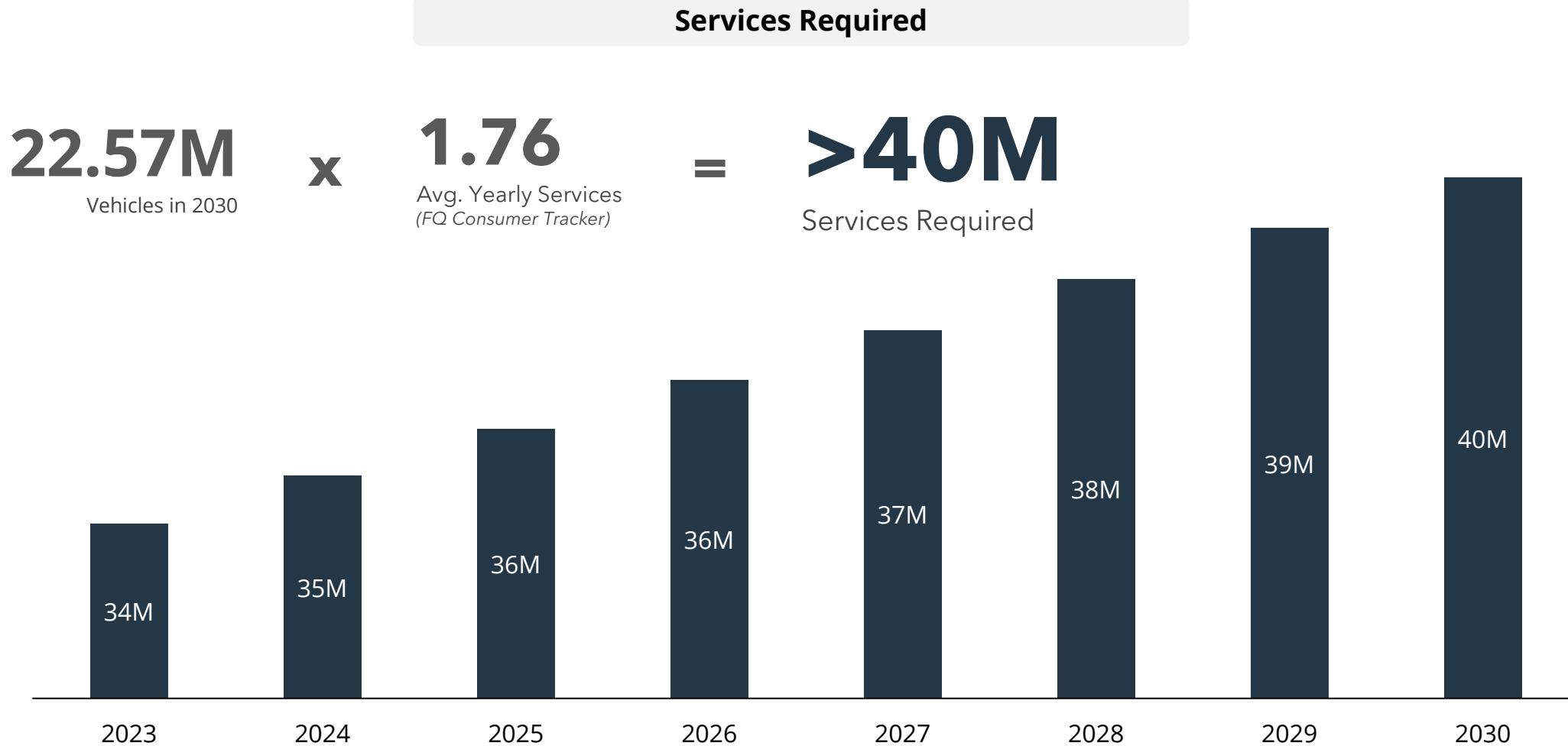
51.4k
Employees
(2021 ABS Census)

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



Key Insights

The workload will continue to grow for mechanics, with almost 20% more services per calendar year needed by the end of this decade





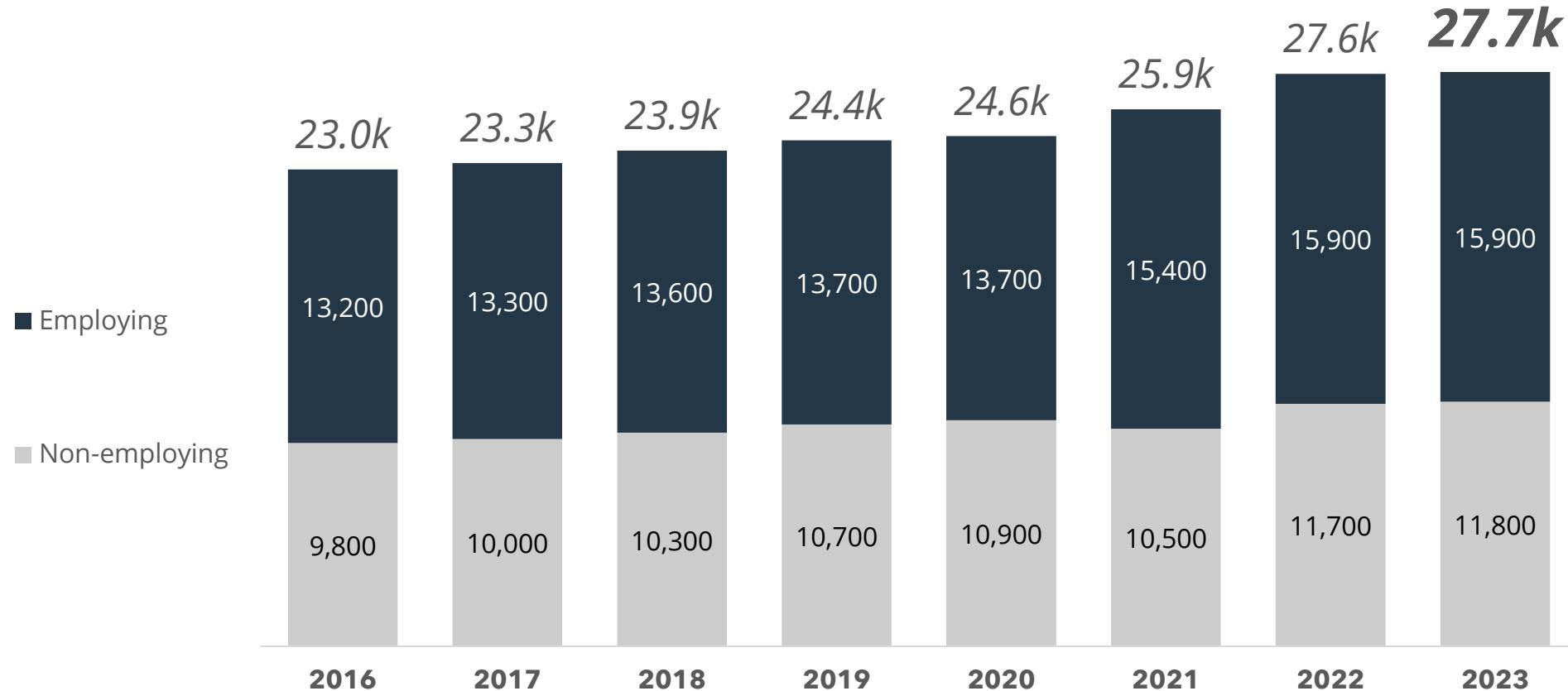
**AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION**

WORKSHOPS & EMPLOYEES

Workshop & Employees

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

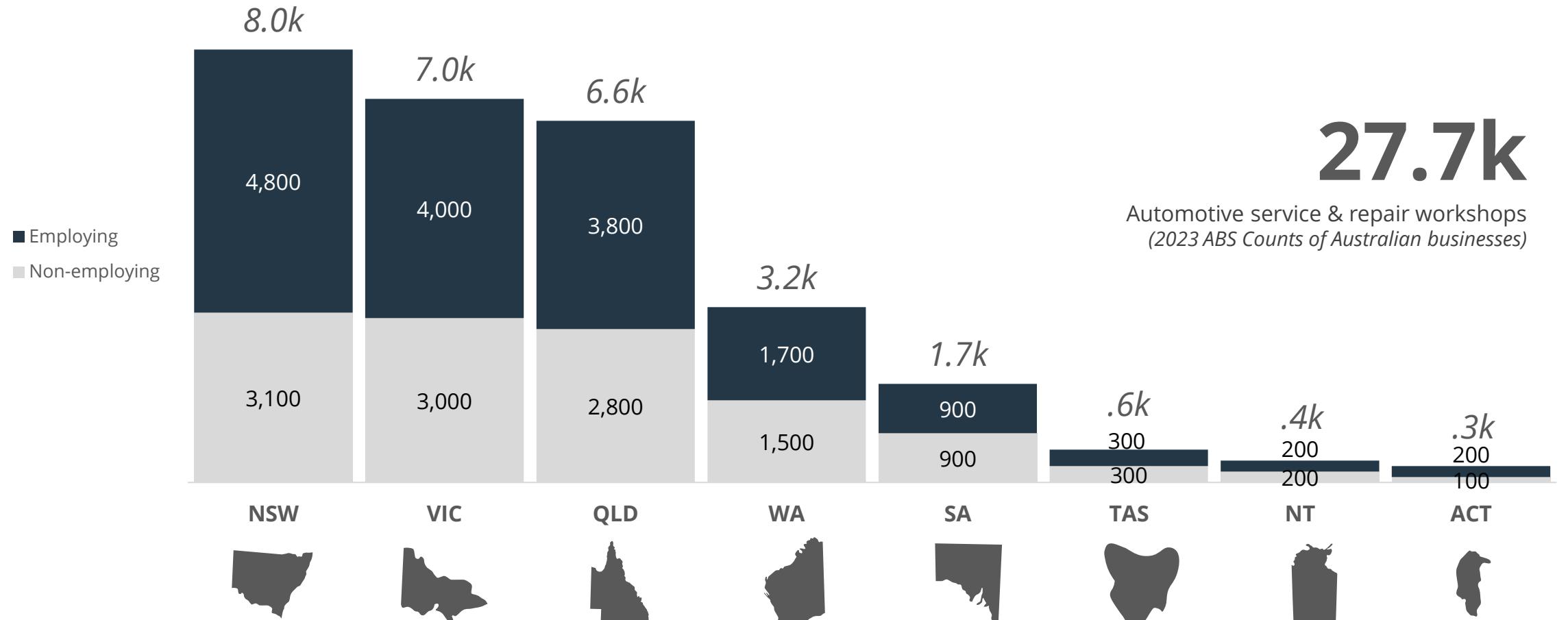
Employing vs. non-employing Automotive Service & Repair Workshops



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

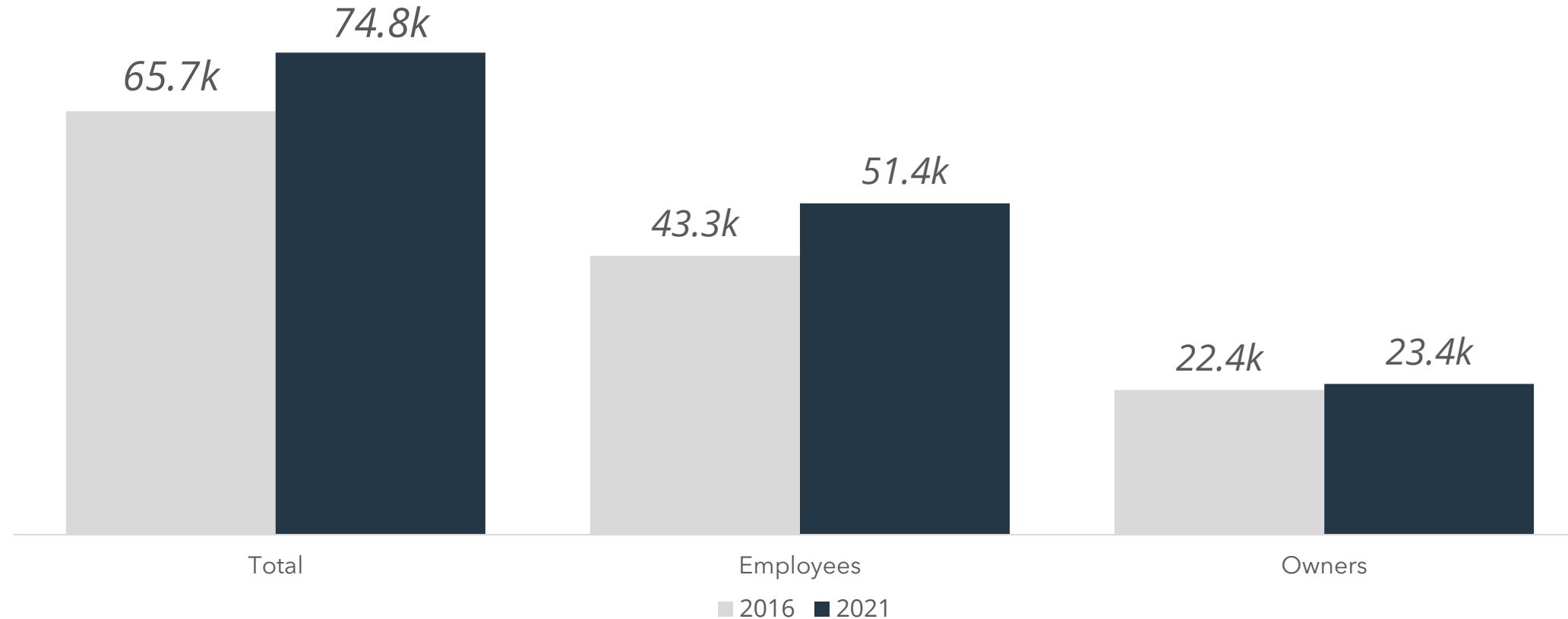
Automotive Service & Repair Workshops in each state



Workshop & Employees

The number of employees in the automotive sector has also increased over the past five years, up by almost 20% over that period.

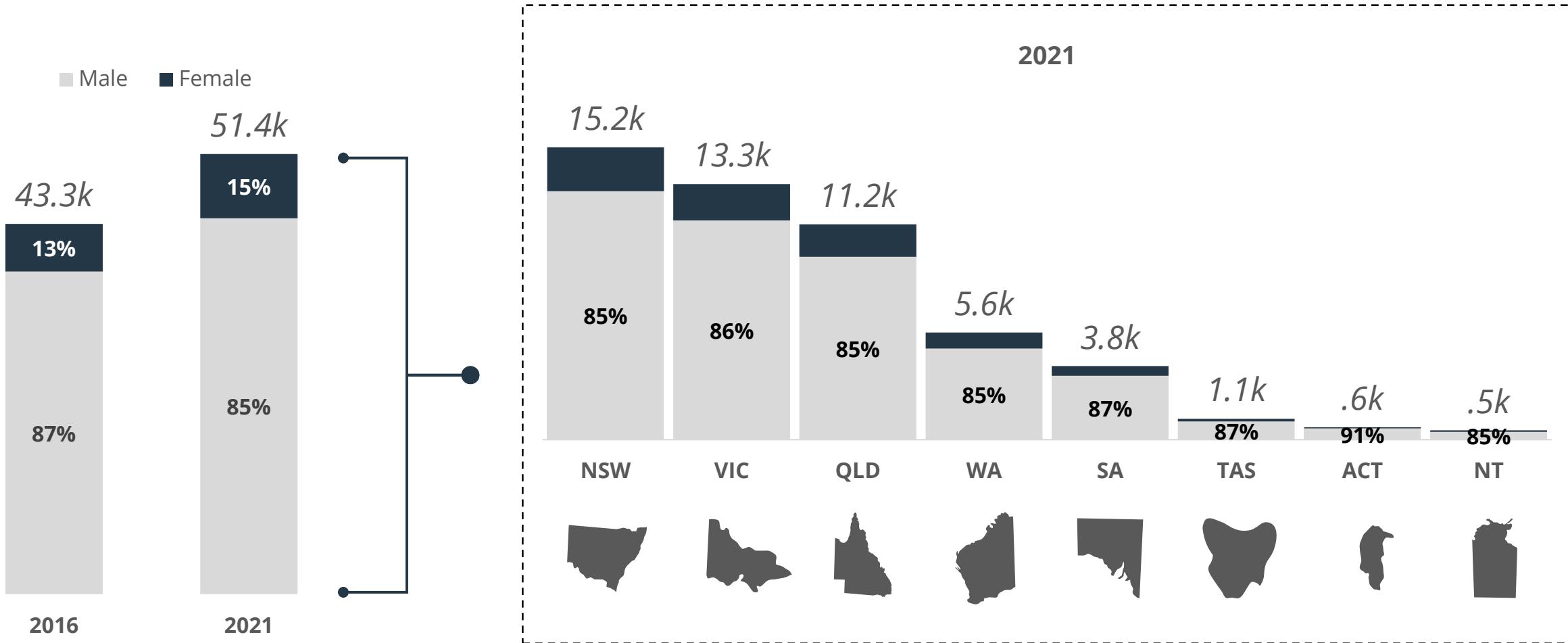
Employment in Automotive Service & Repair Workshops over time



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





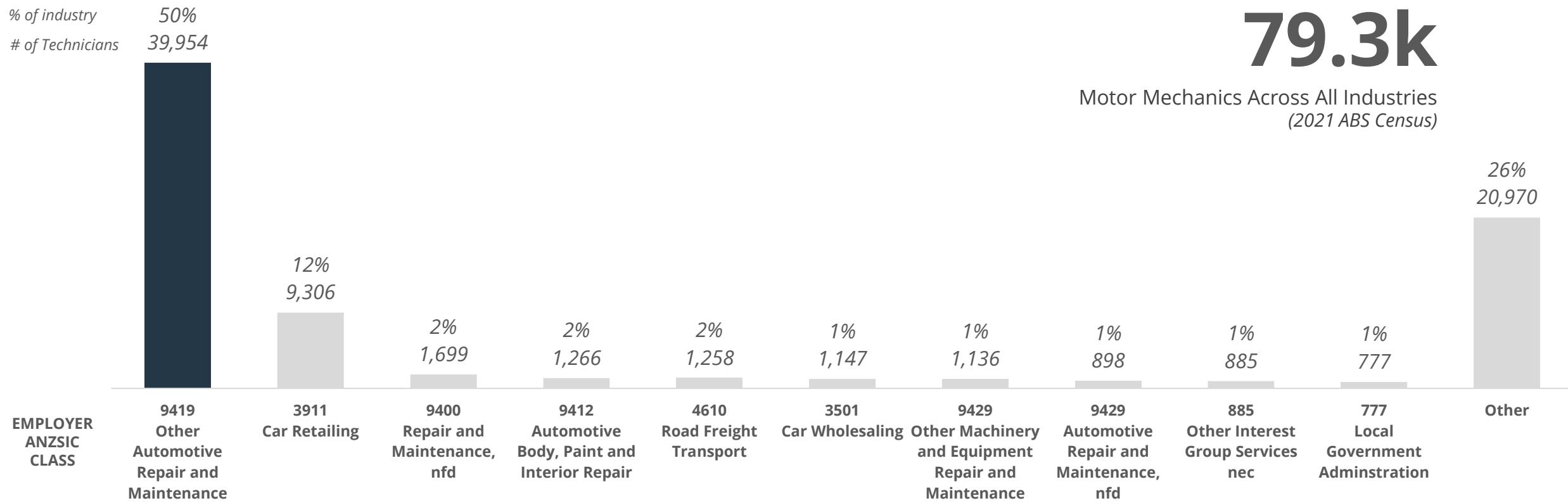
AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION

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

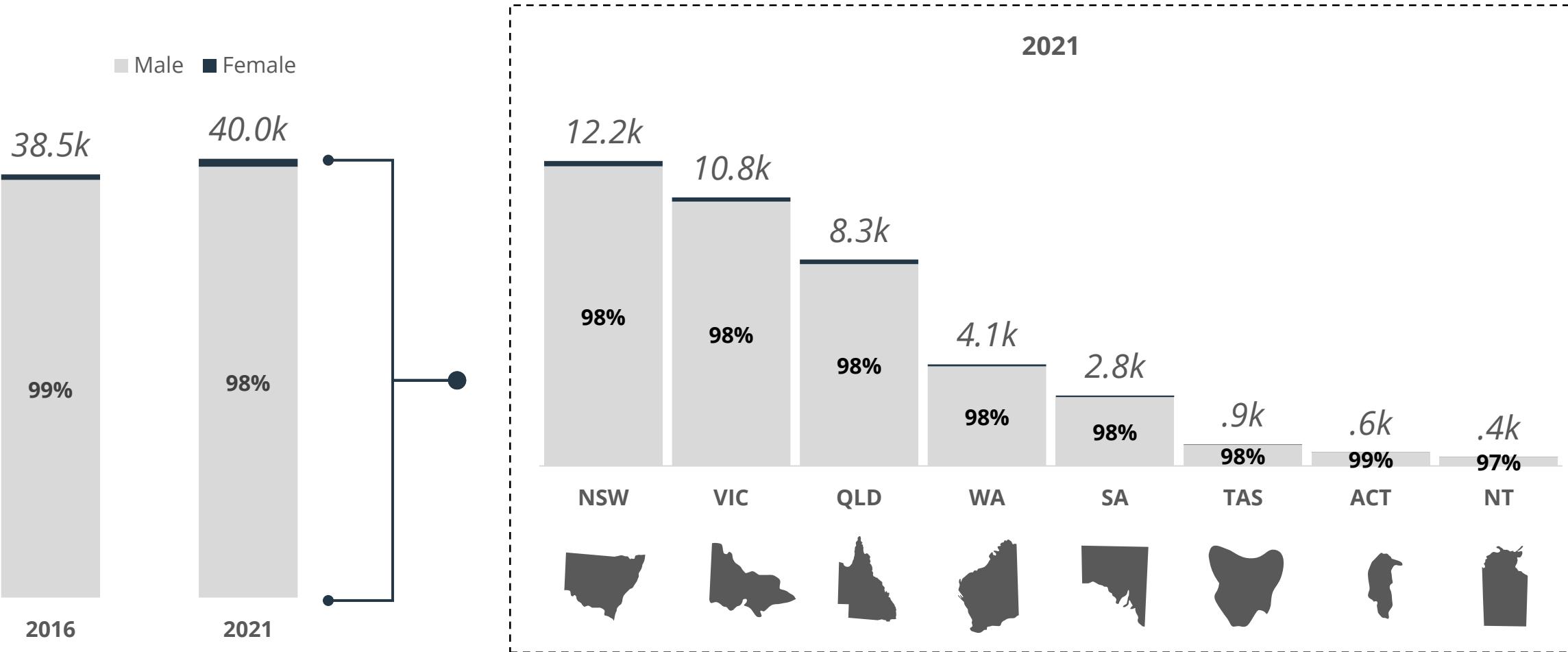
Top 10 Employer Industries within Occupation - 321211 Motor Mechanics



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

Workshops in Australia
(2023 ABS Business Counts)

x

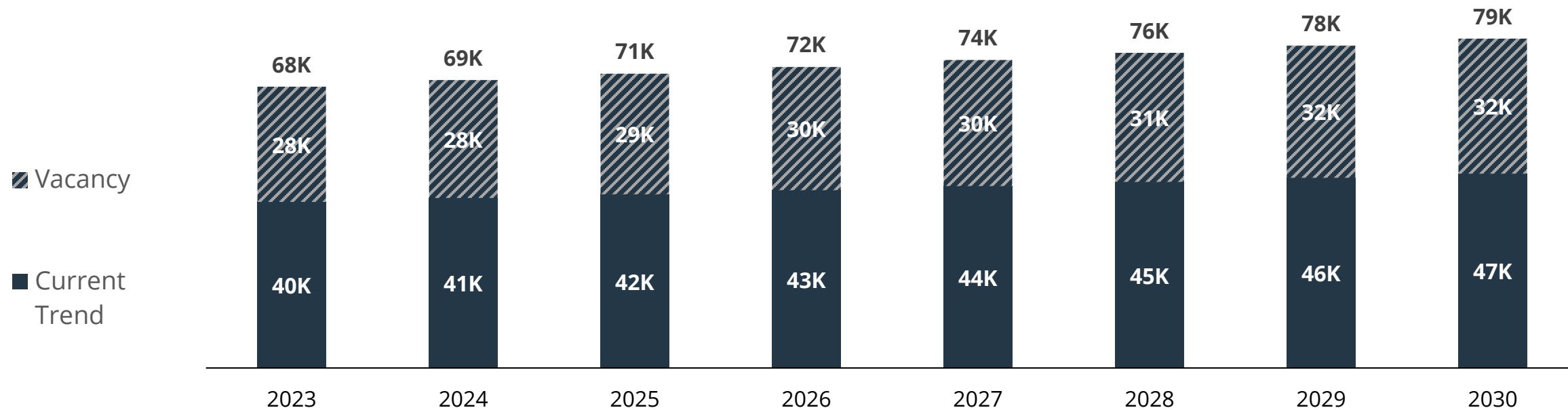
1

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

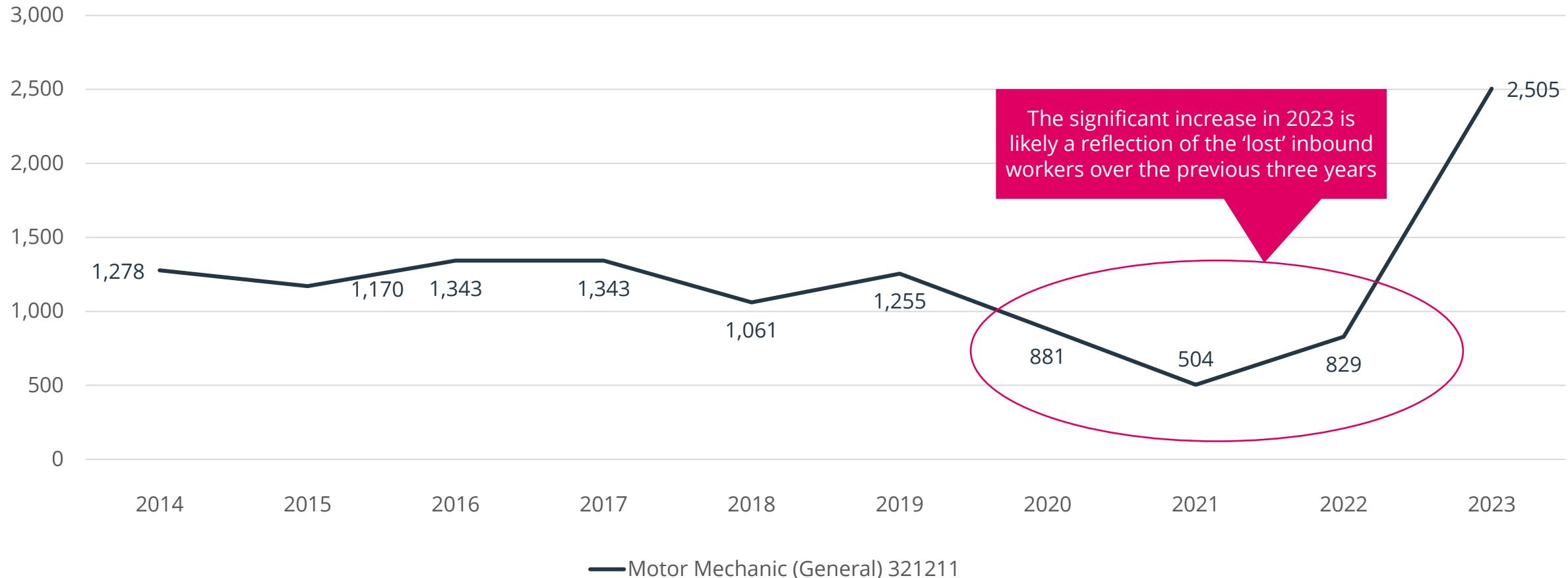
=

27.7k

Qualified Tech Vacancies for
Aftermarket Workshops



Visas Granted over time, within Occupation - 321211 Motor Mechanics





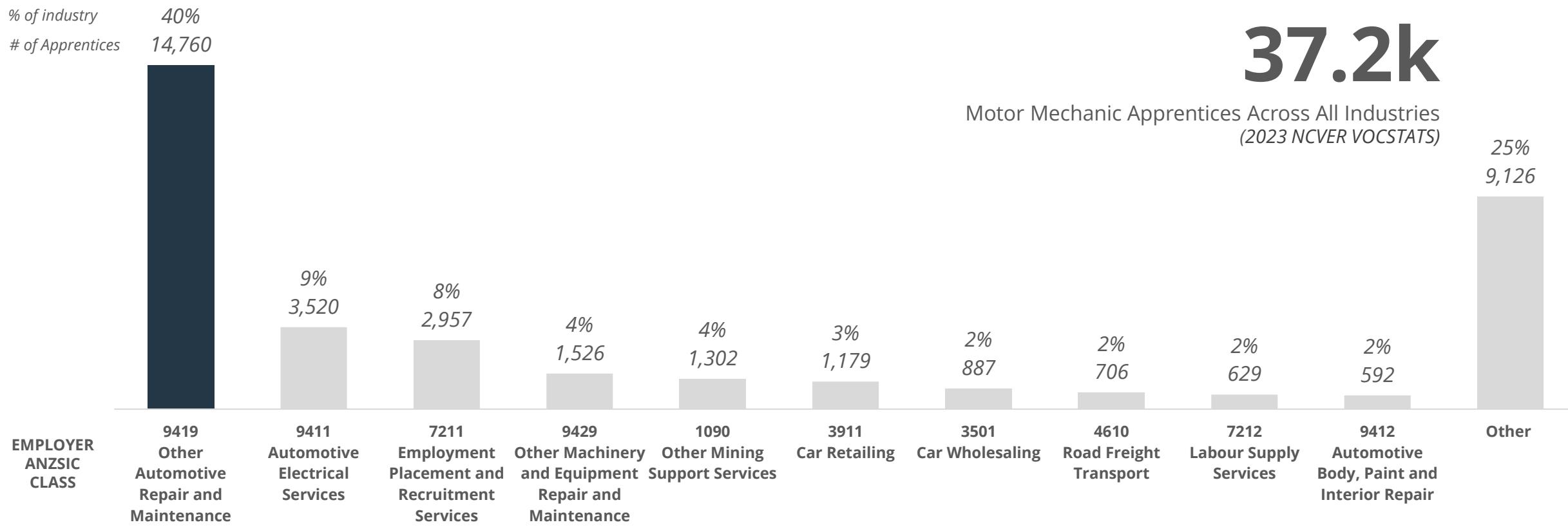
**AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION**

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)

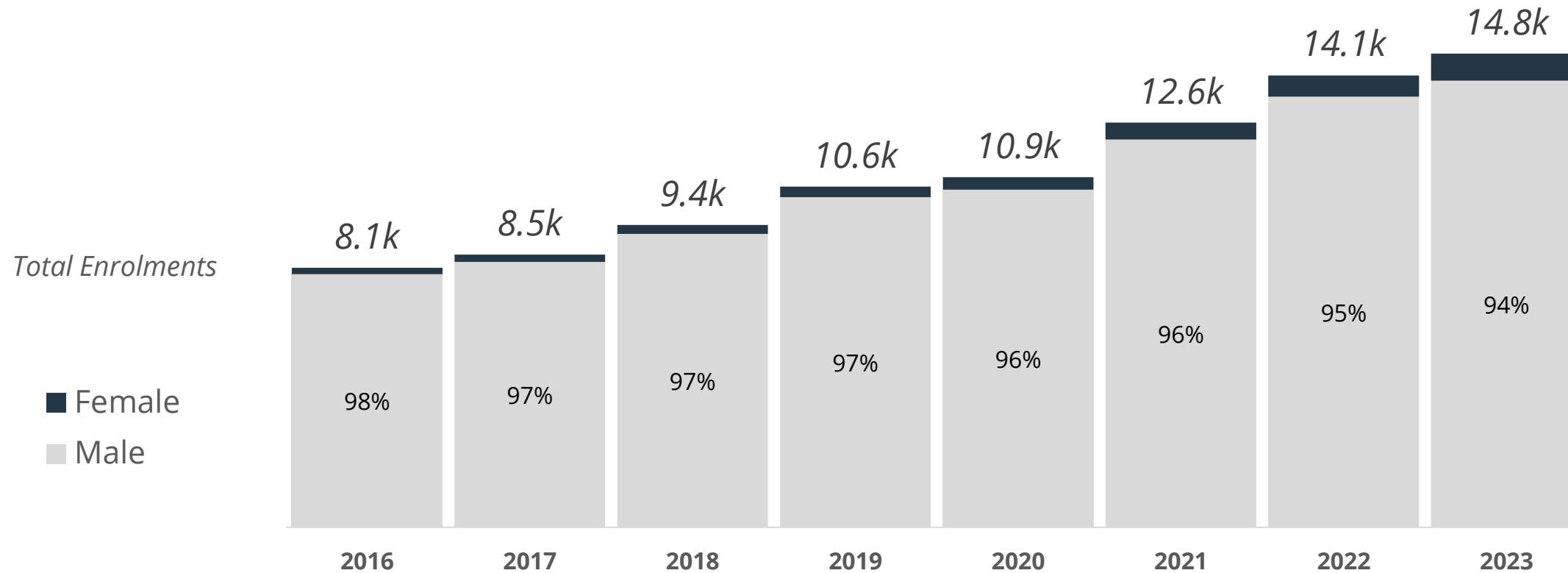
Top 10 Employer Industries of Apprentices within Occupation - 321211 Motor Mechanics



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

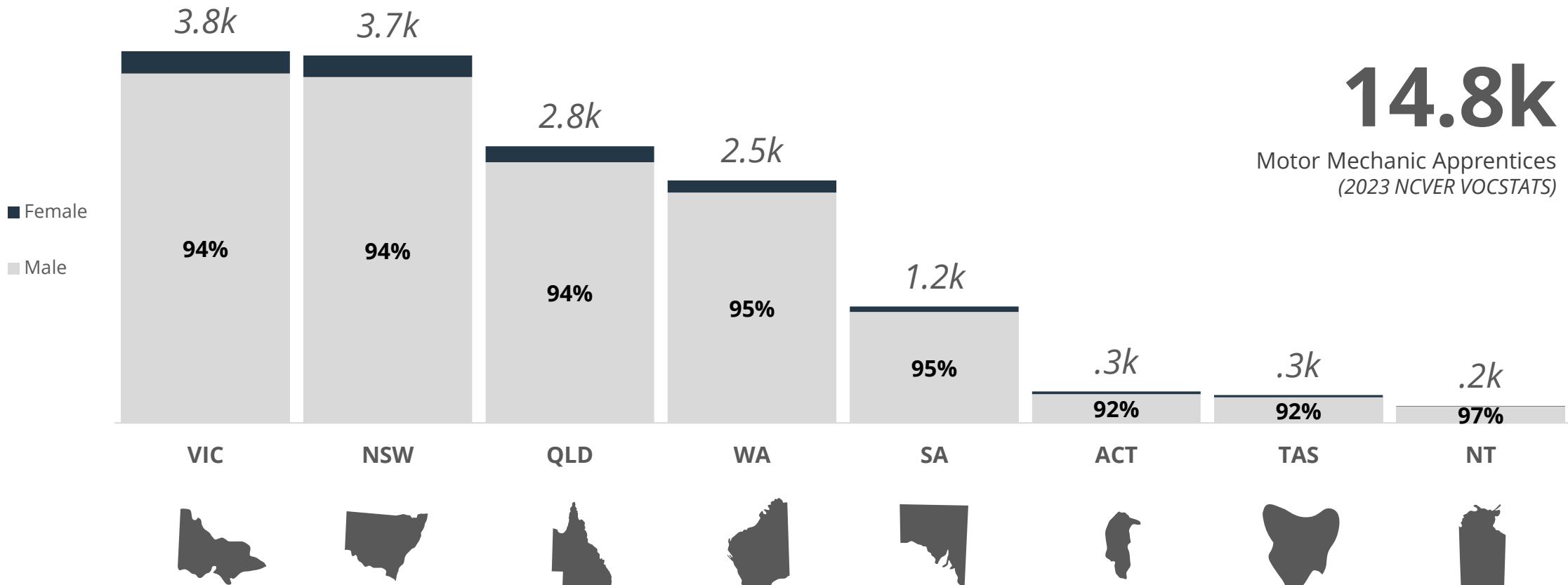
Motor Mechanic Apprentices Employed in 9149 – Other Automotive Repair and Maintenance



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



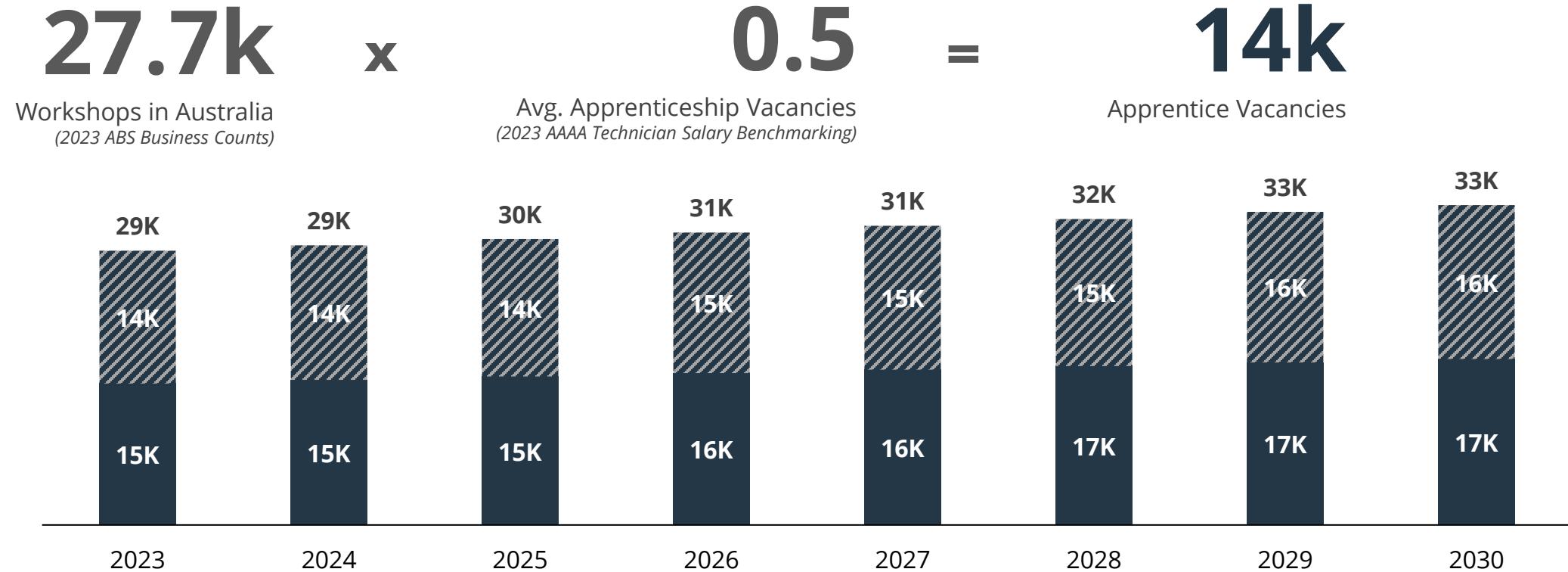
Apprentice Technicians

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





**AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION**

SERVICE & REPAIR

Consumer Jobs

16m

Consumer passenger/LCVs
(2023 BITRE Road Vehicles)

x

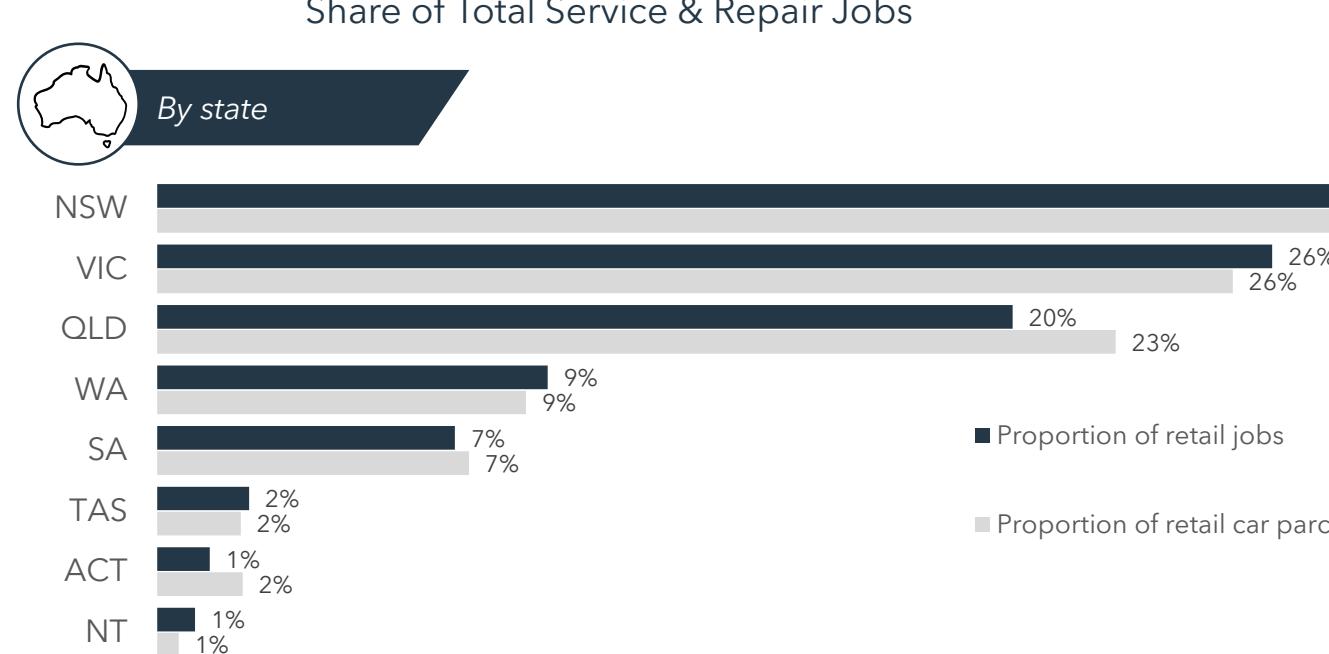
1.76

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

=

28m

Service & Repair Jobs p/year



These 28m consumer service & repair jobs equate to \$7bn in total annual revenue

Consumer Spend

\$250

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

x

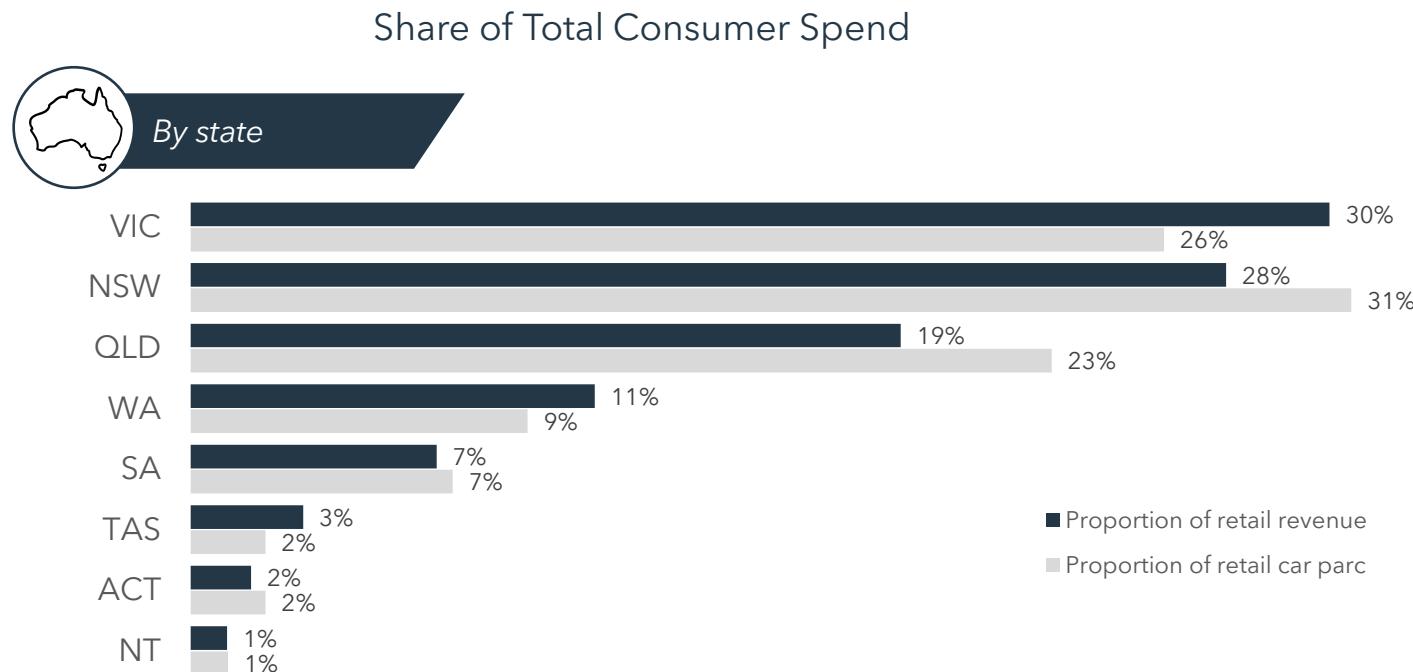
28m

Service & Repair Jobs p/year

=

\$7bn

Total consumer spend



Consumer Share Of Services Vs. Revenue



Share of consumer services

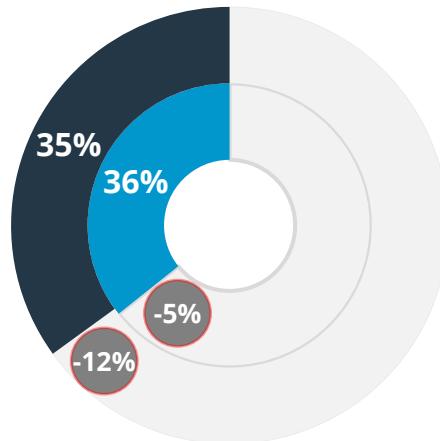


Share of consumer revenue

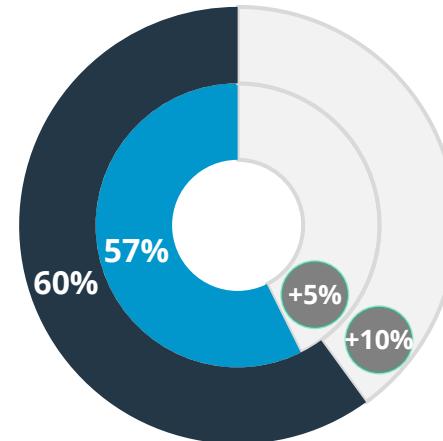


Change from 2021

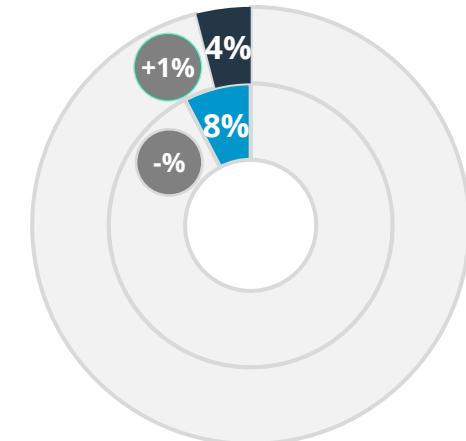
DEALERSHIP



AFTERMARKET



DIY



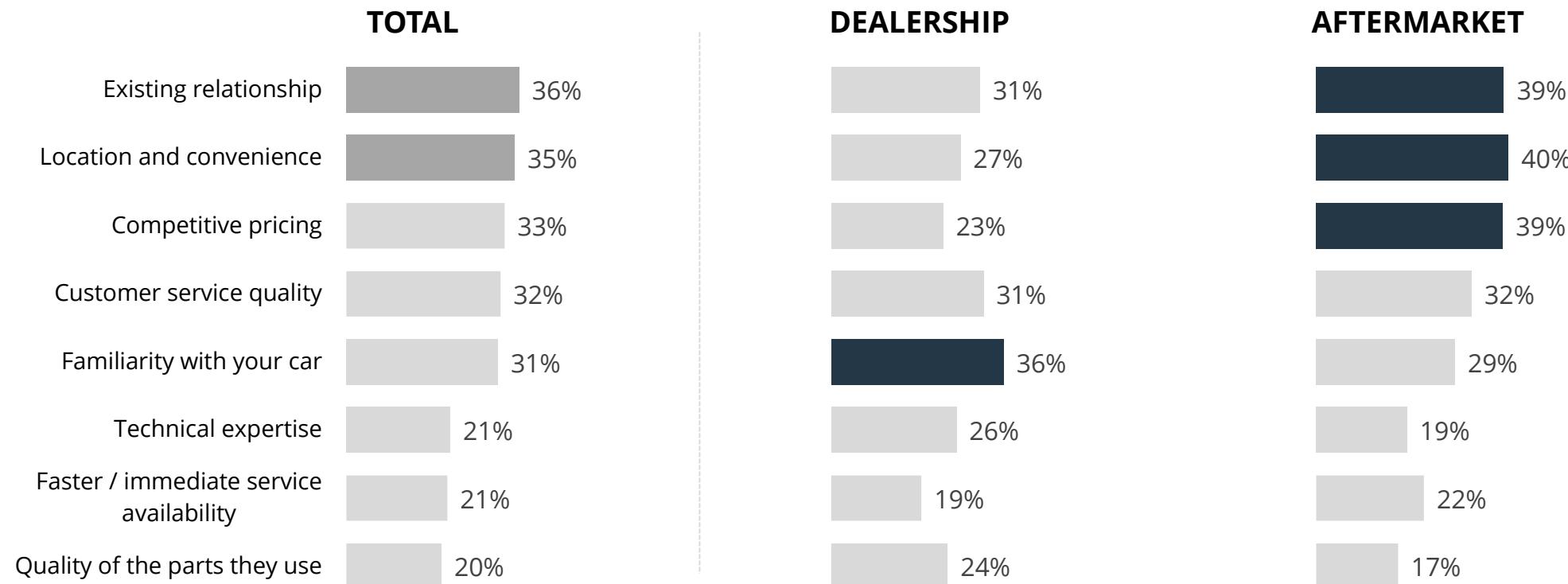
These results are reflected in consumer feedback, with aftermarket workshops more effectively building a relationship with consumers than their dealership counterparts

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



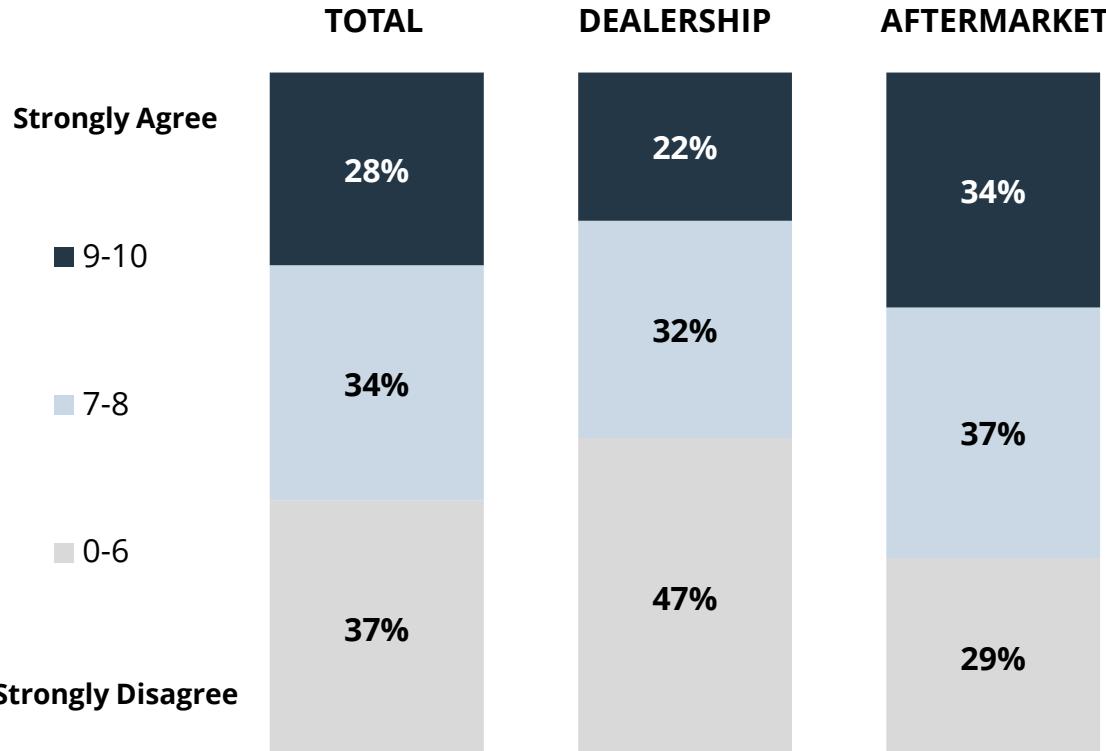
This relationship is underpinned by a level of trust in the capabilities and value being delivered by aftermarket workshops

Consumer Attitudes (2024 FQ Consumer Auto Survey)

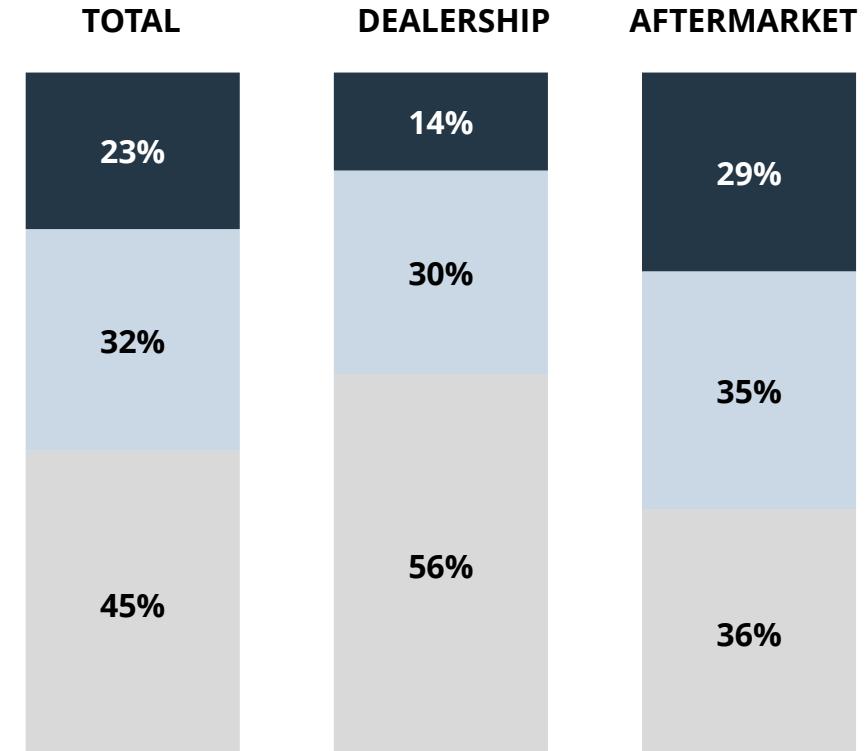
*Amongst those who have had their vehicle serviced by a professional

"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)

=

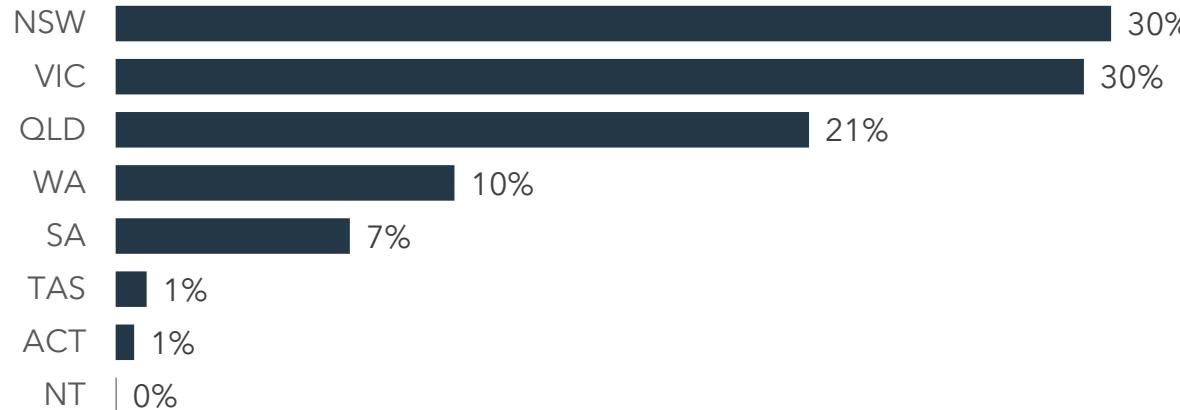
\$3bn

Total fleet spend

Share of Total Fleet Spend



By state

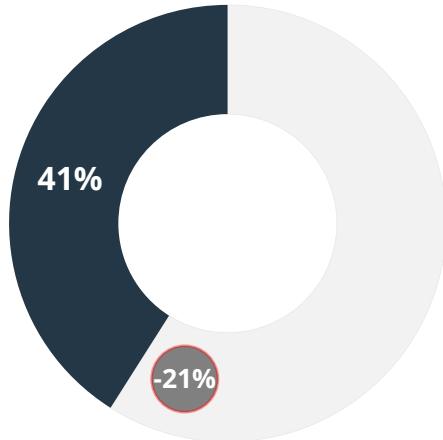


Dealerships are more strongly positioned, but the aftermarket again owns the bulk of the market when it comes to fleet servicing

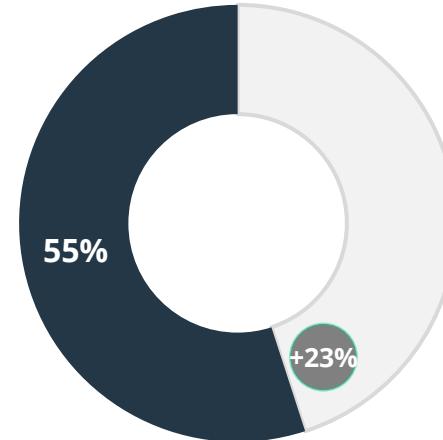
Fleet Share Of Services

● Share of fleet services -% Change from 2021

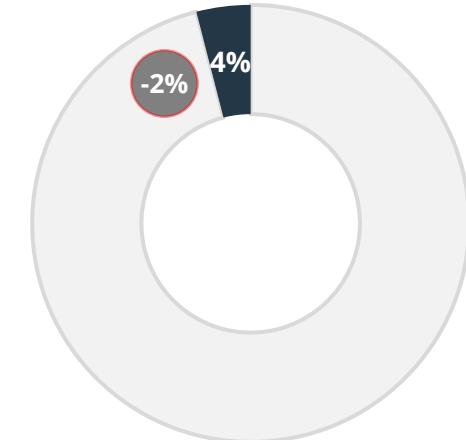
DEALERSHIP



AFTERMARKET



IN HOUSE



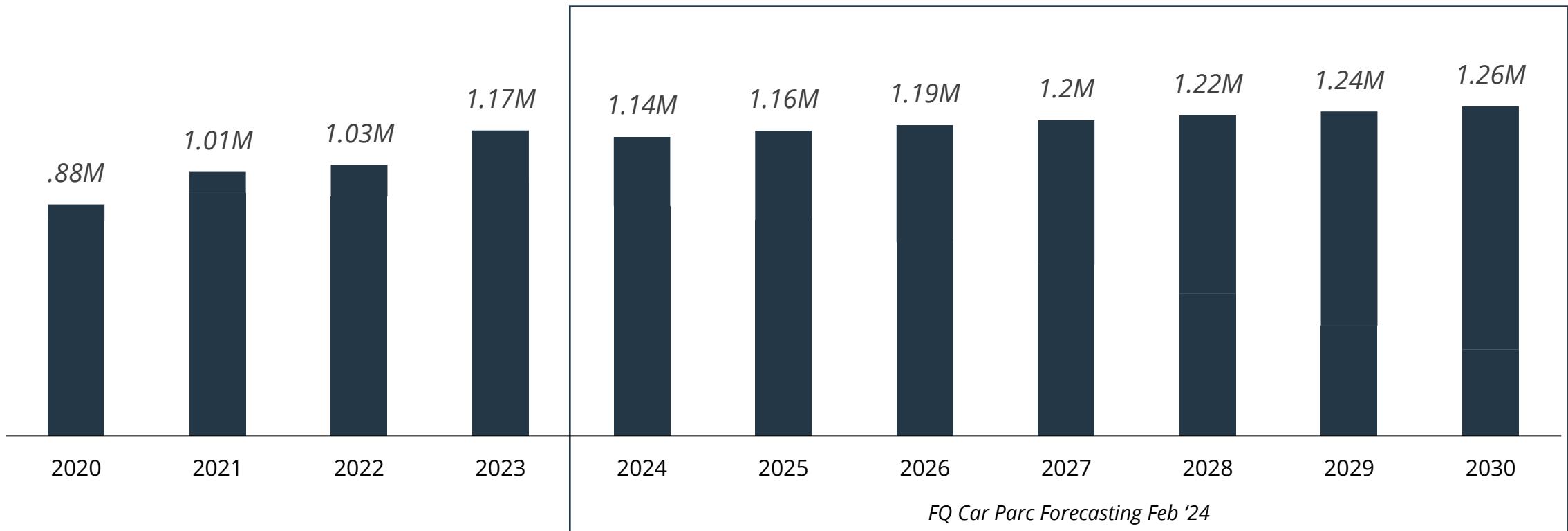


**AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION**

CAR PARC

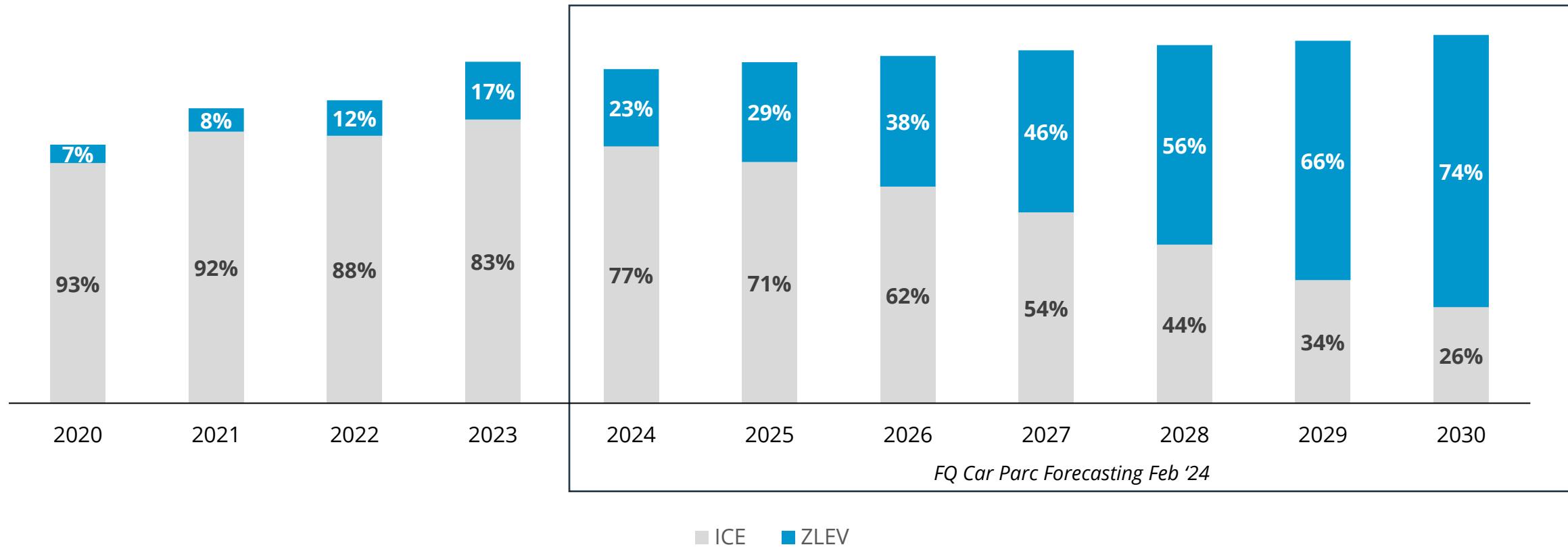
New vehicle sales continue to rebound from covid times, and are forecasted for continued growth to the end of the decade

Passenger and Light Commercial Vehicles New Vehicle Sales



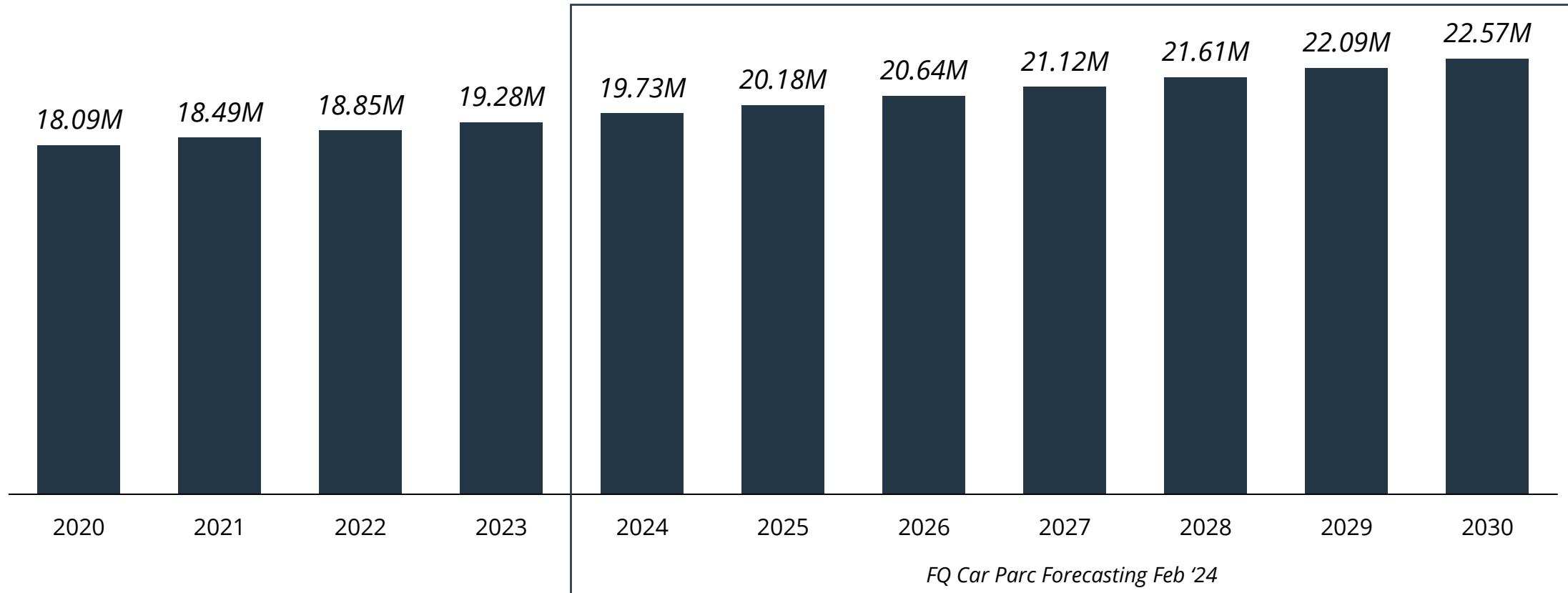
Electric and Hybrid Vehicles sales are growing year on year and are projected to be a majority of new vehicle sales by 2028

**Passenger and Light Commercial Vehicles
New Vehicle Sales**

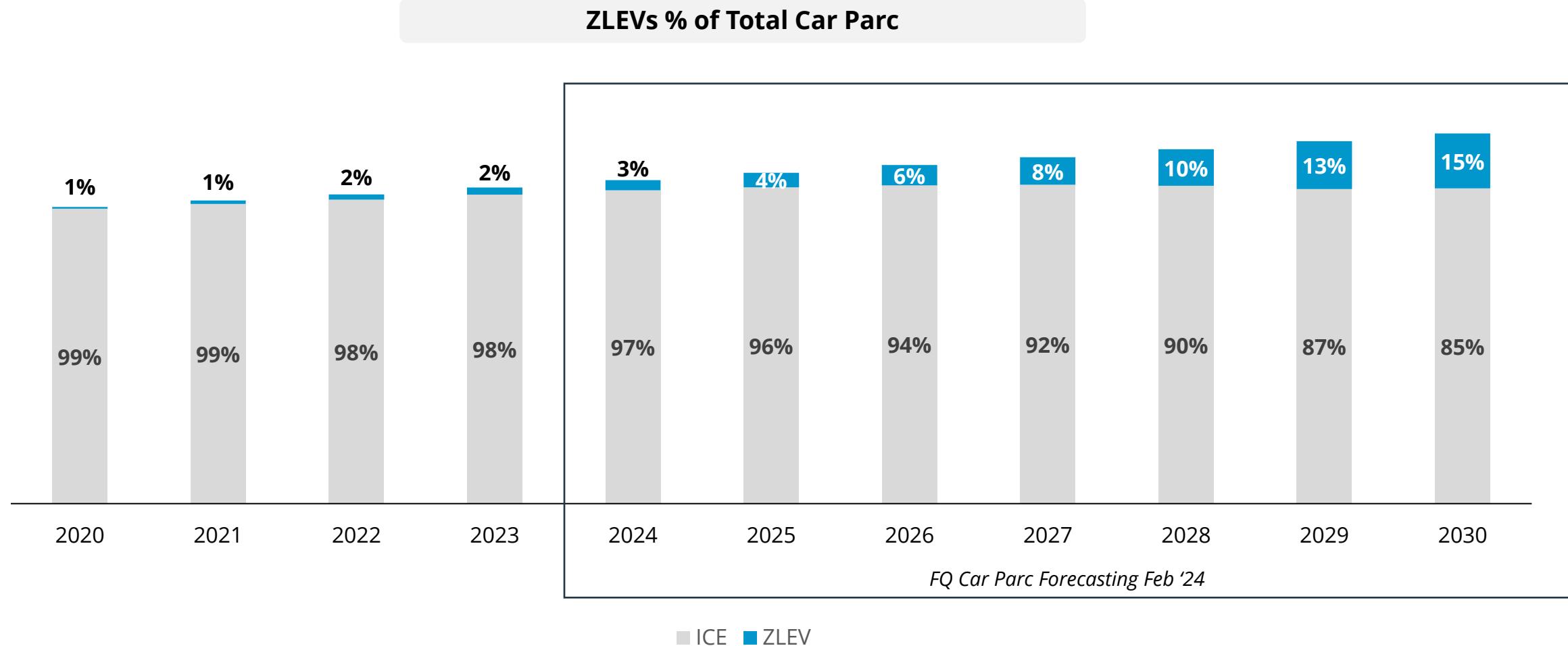


Strong new vehicle sales and population growth mean the passenger and light commercial car parc will also continue to expand, exceeding 22 million vehicles by 2030

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



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'

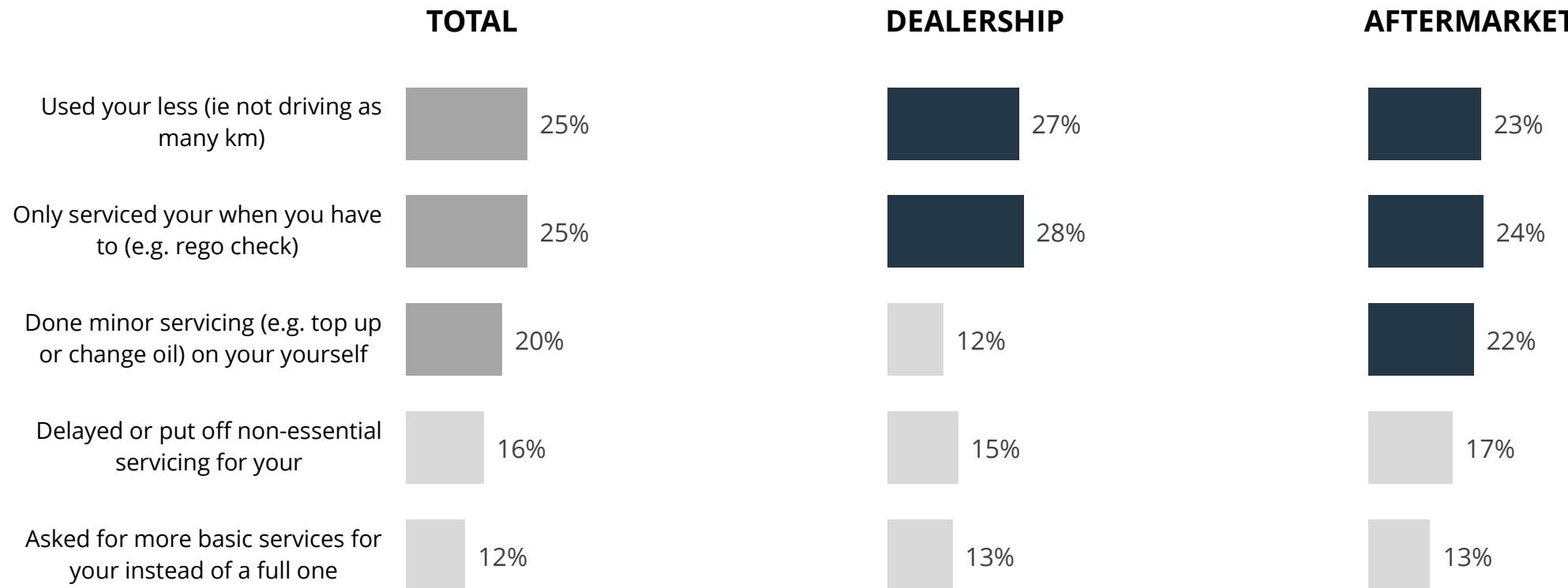
Consumer Attitudes

(2024 FQ Consumer Auto Survey)

Highlight > 20%

Servicing Attitudes

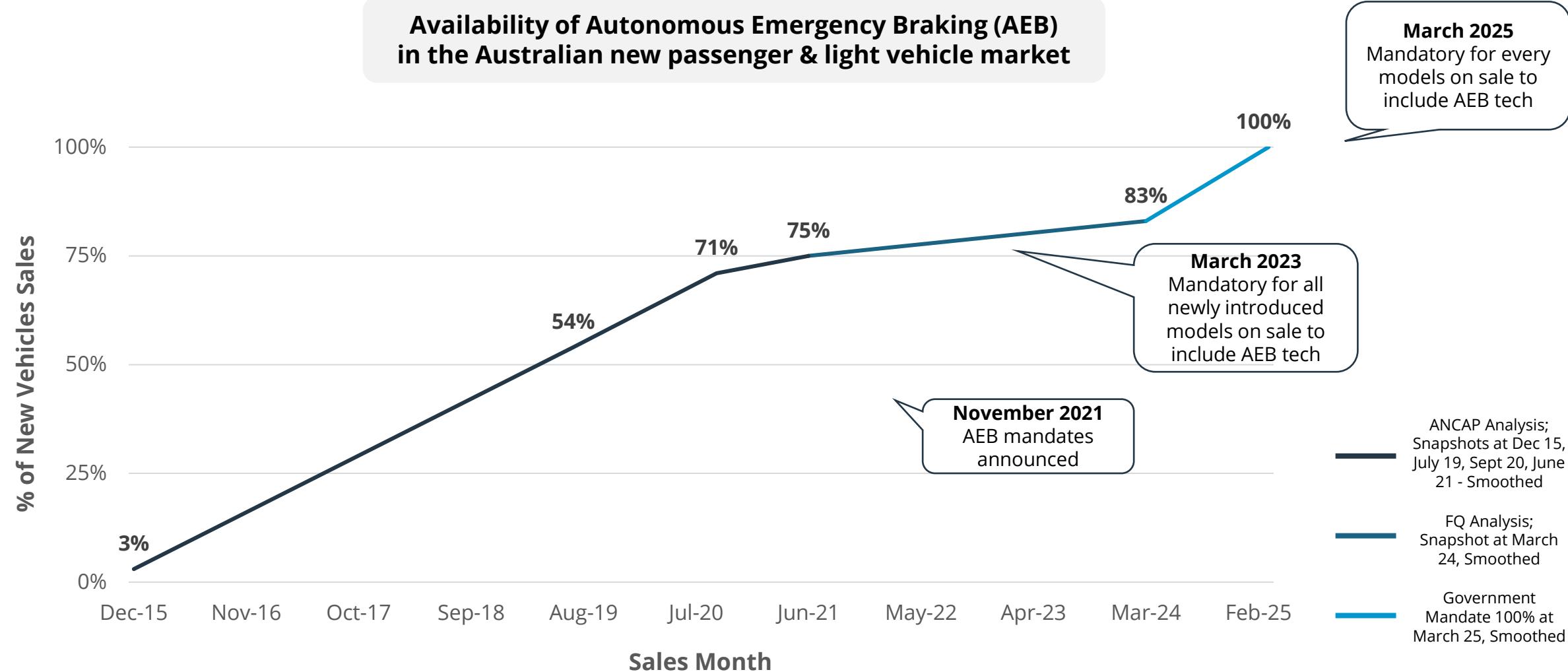
*Amongst those who have a vehicle in their household





**AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION**

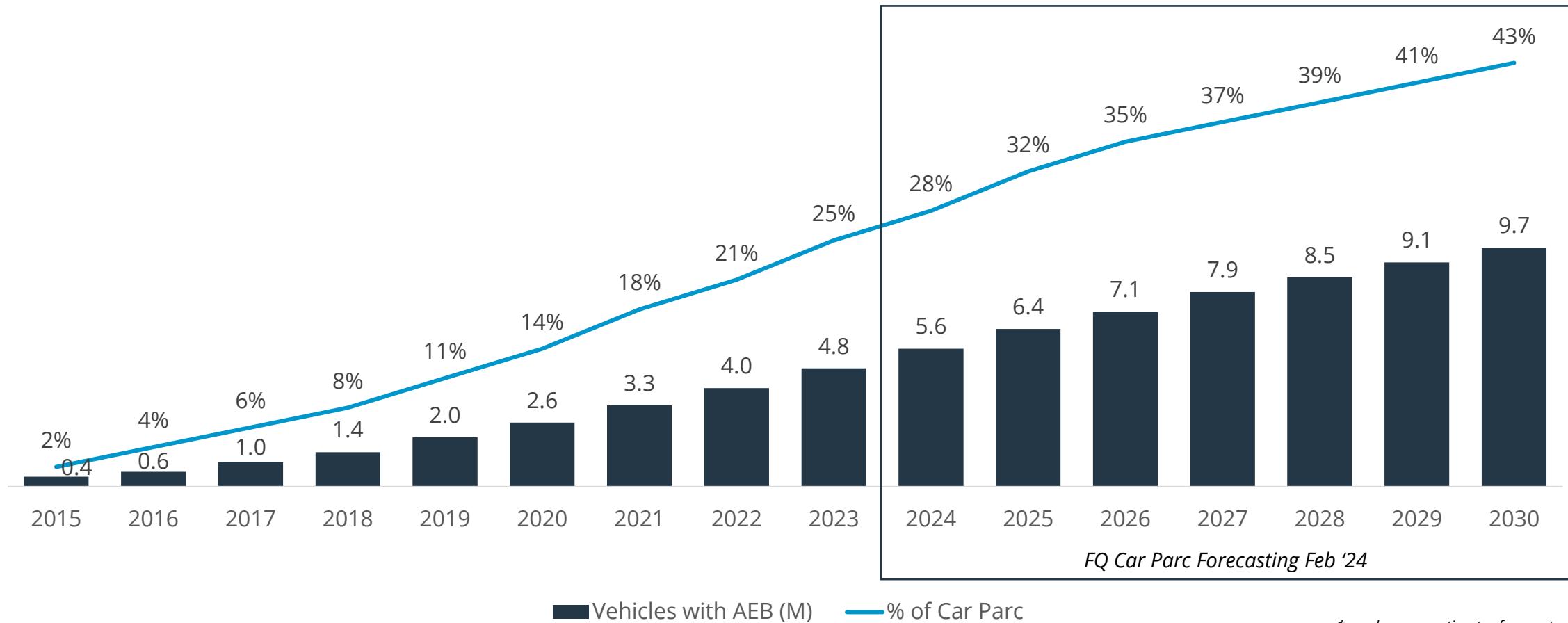
TECHNOLOGY INVESTMENT



Technology Investment

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

Technology Investment

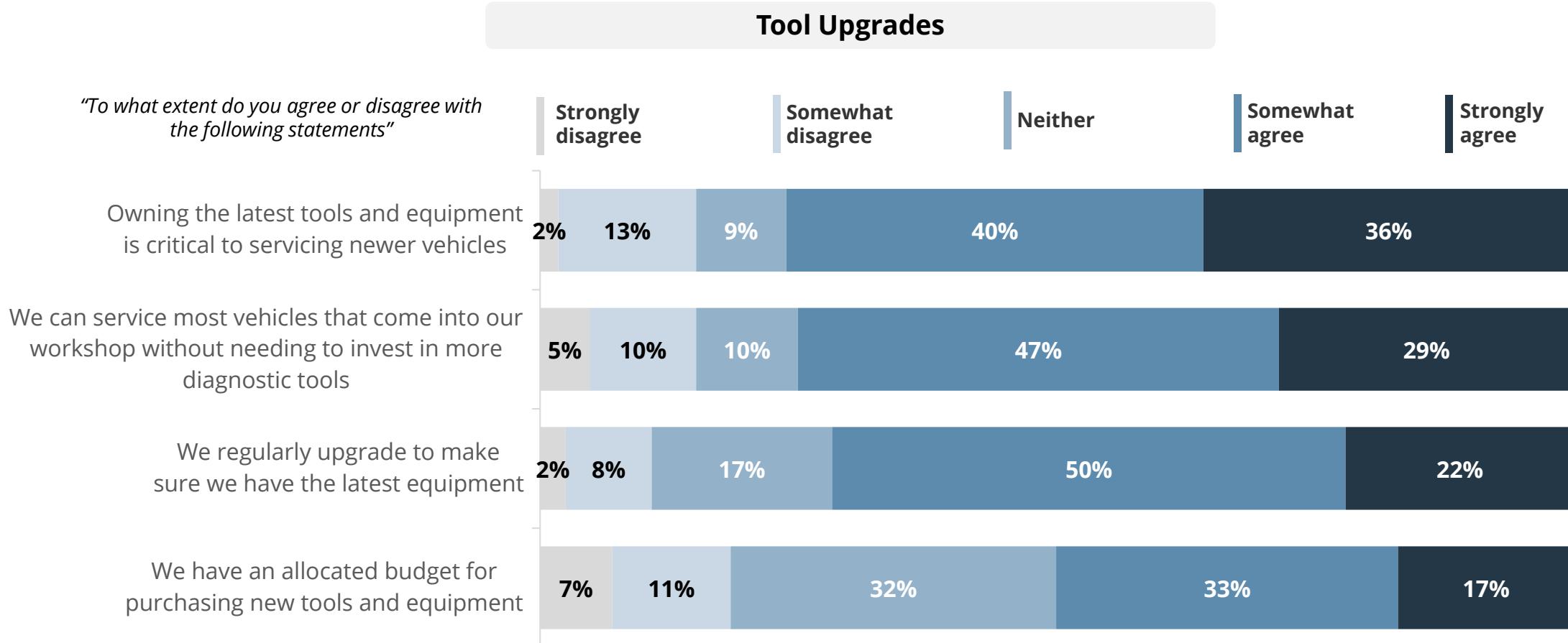
Aftermarket workshops recognise this, overwhelmingly agreeing that they are investing in tools and equipment to ensure they can service the vehicles coming onto their forecourt

Workshop Attitudes

(2023 AAAA Future Readiness Index Report)

Tool Upgrades

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



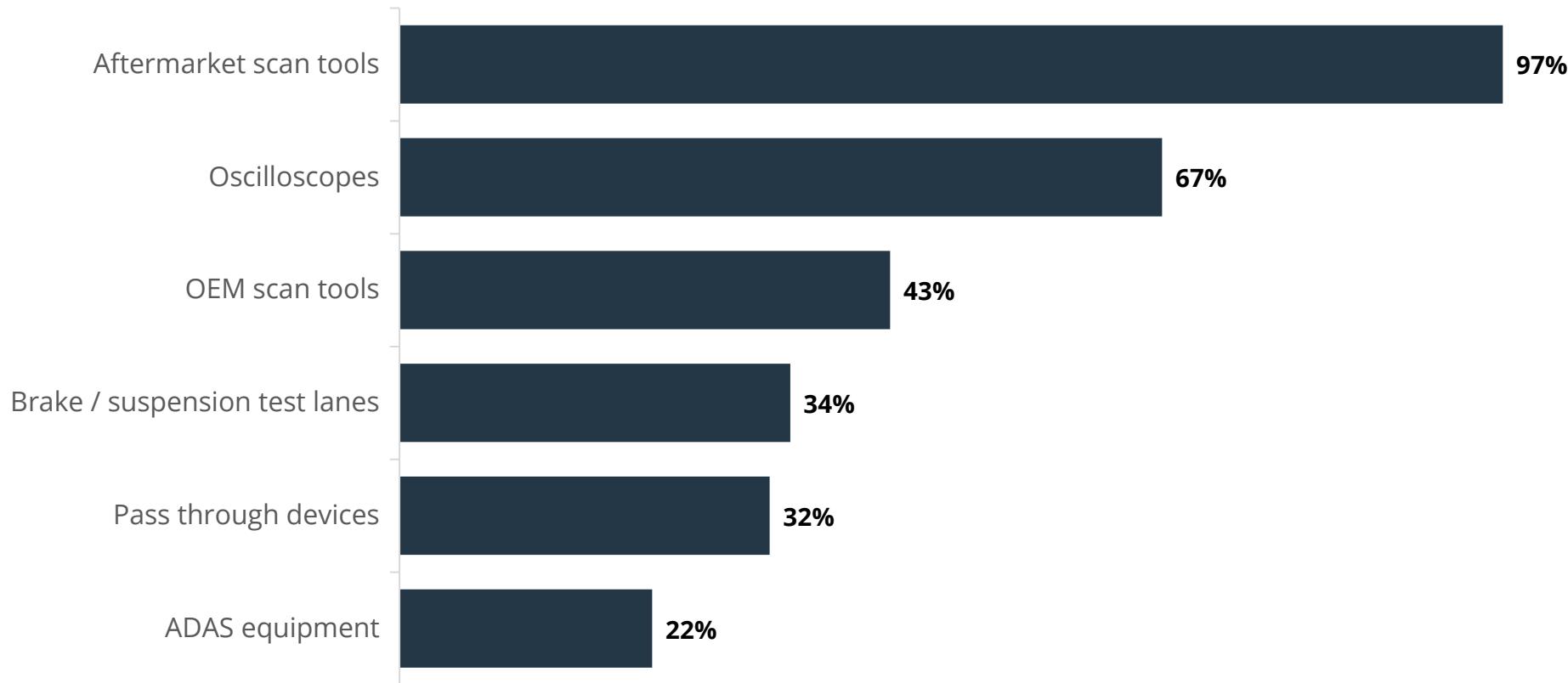
Technology Investment

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

Workshop Equipment

(2023 AAAA Future Readiness Index Report)

Equipment in Workshops



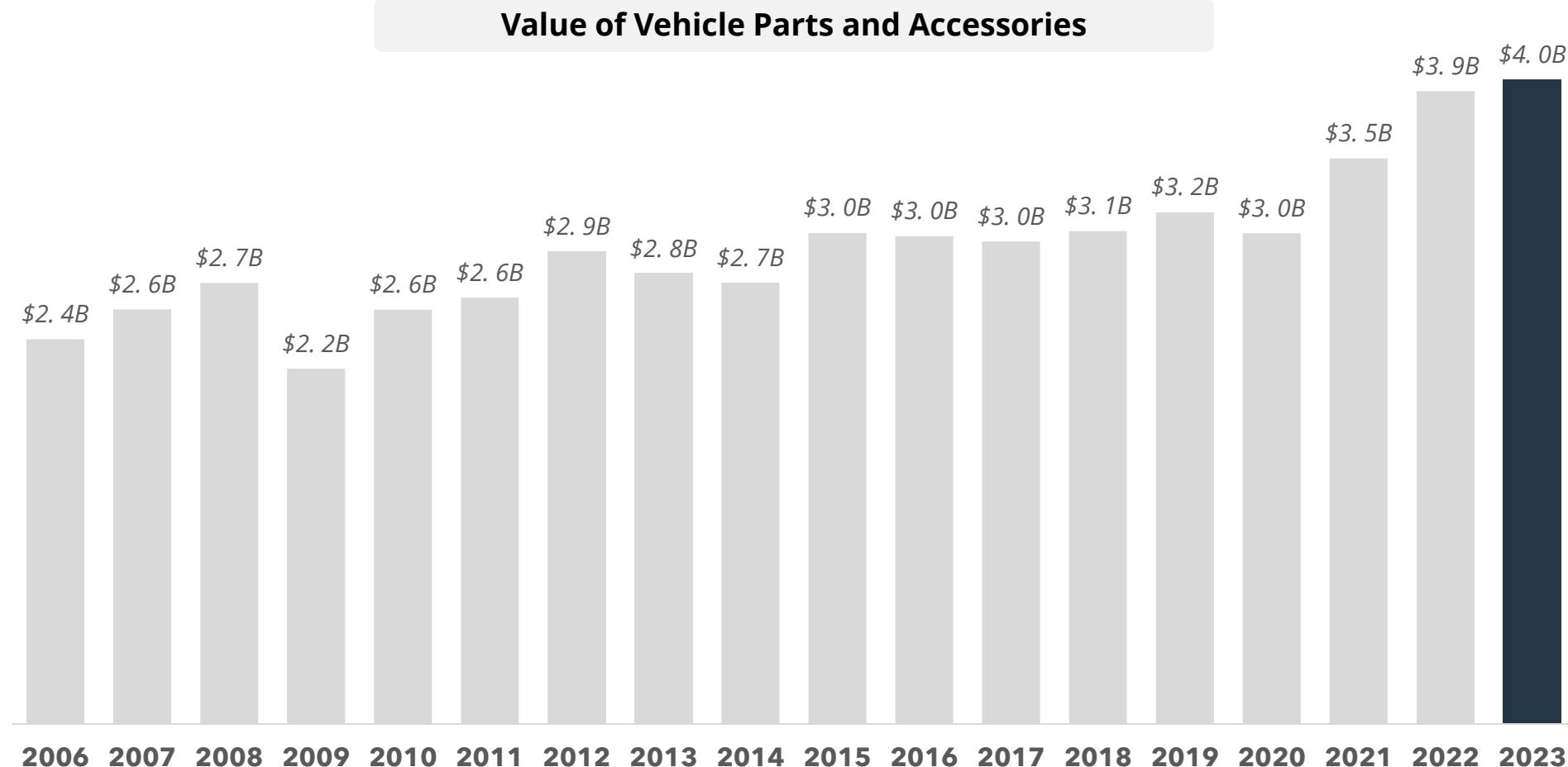


**AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION**

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)

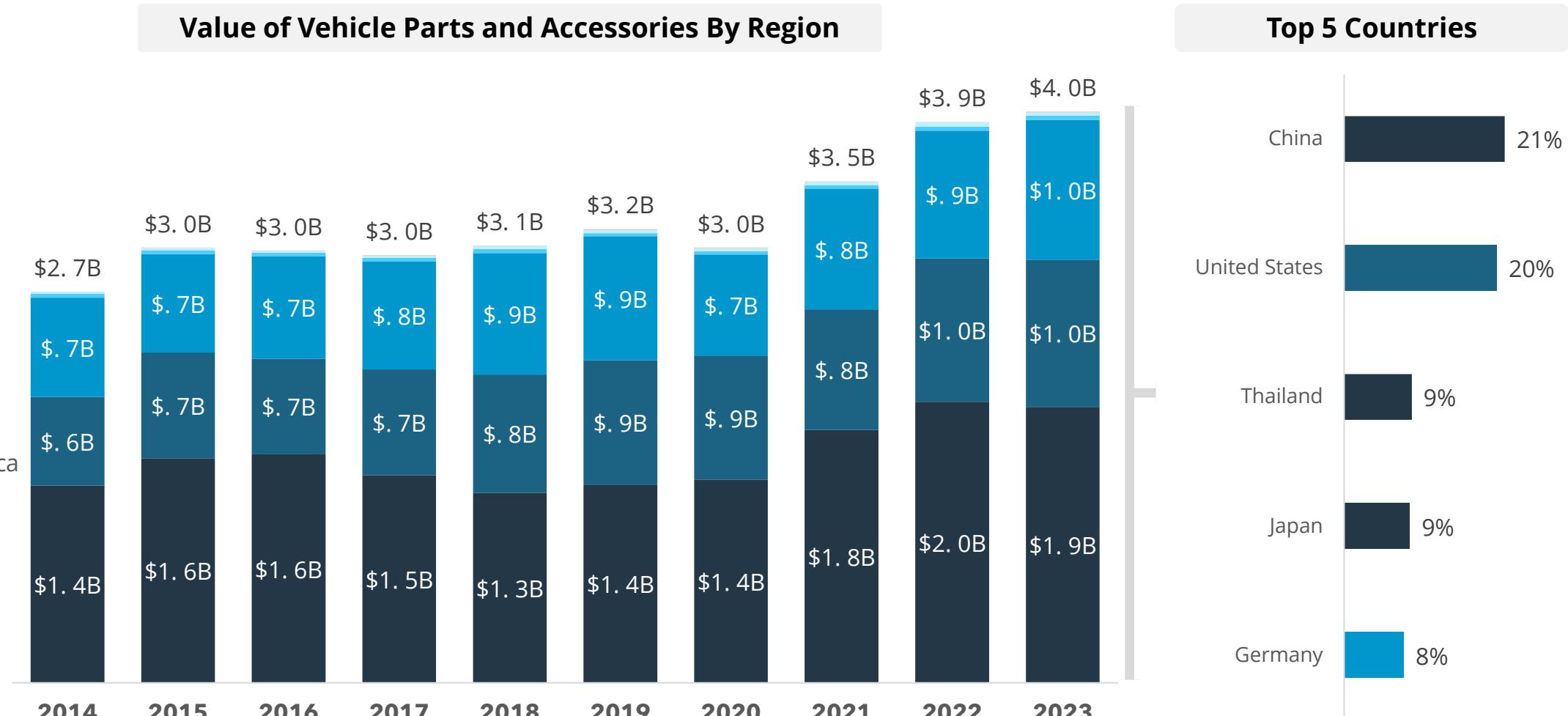
Imports



Imports & Exports

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

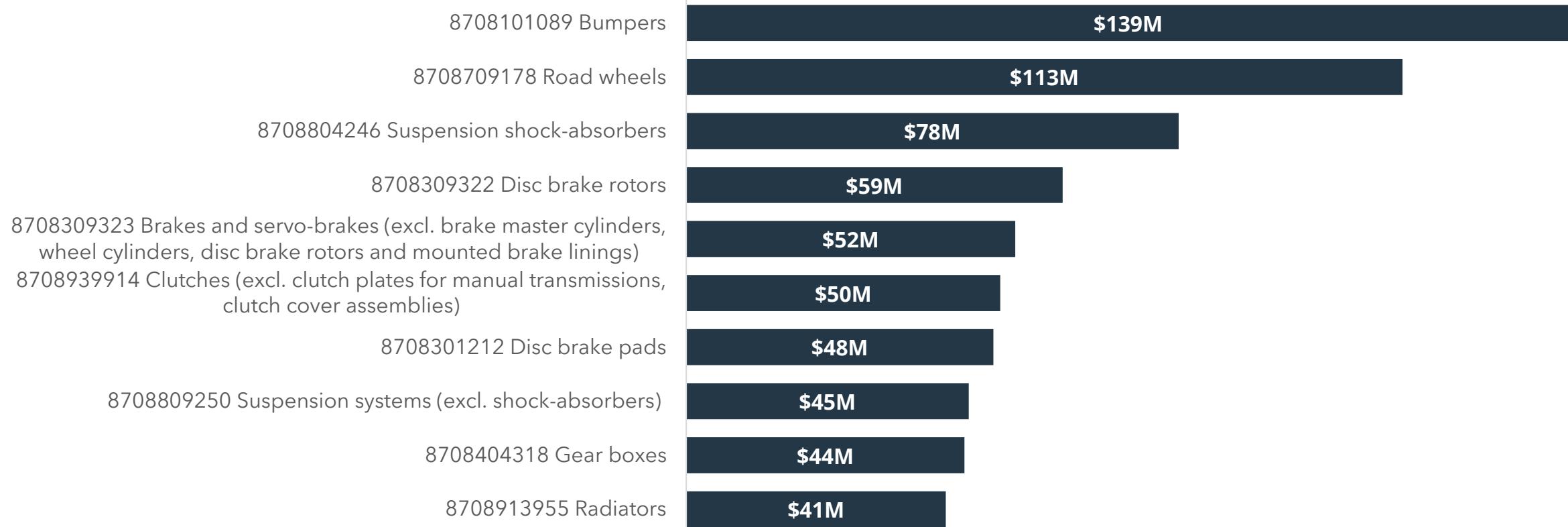
Imports



Looking at the categories within imports, we can see a range of general service and repair parts, as well as some that relate more to paint and panel (e.g. bumpers)

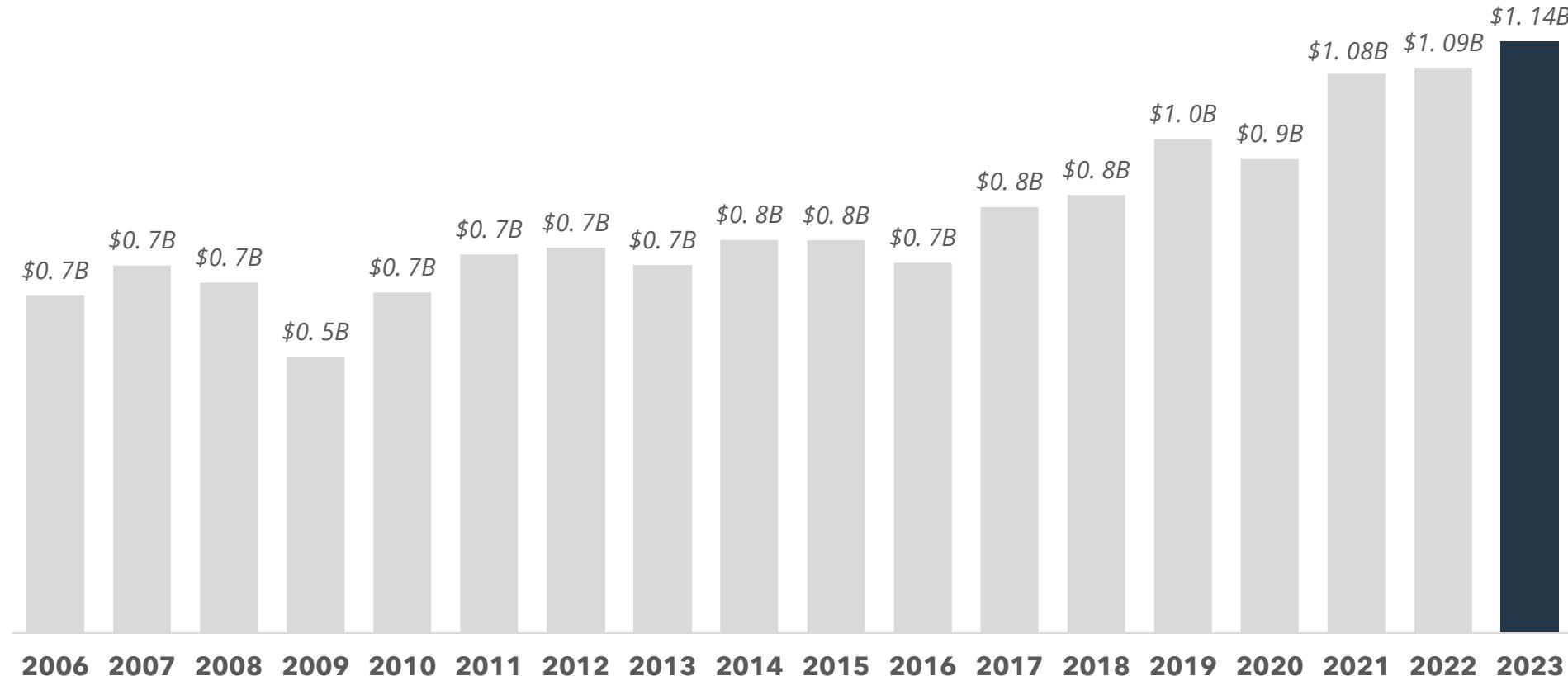
Imports

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



Exports

Value of Vehicle Parts and Accessories

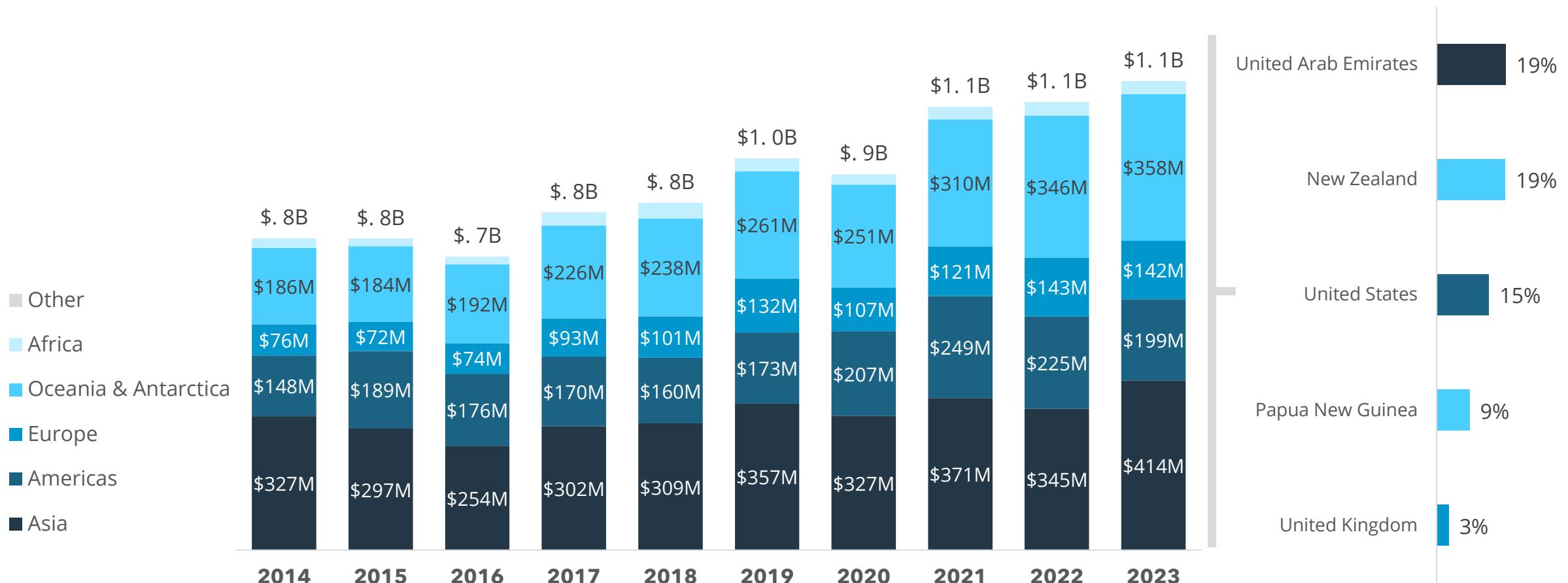


Imports & Exports

Exports are more evenly divided, with the bulk either heading towards Asia or remaining with Oceania

Exports

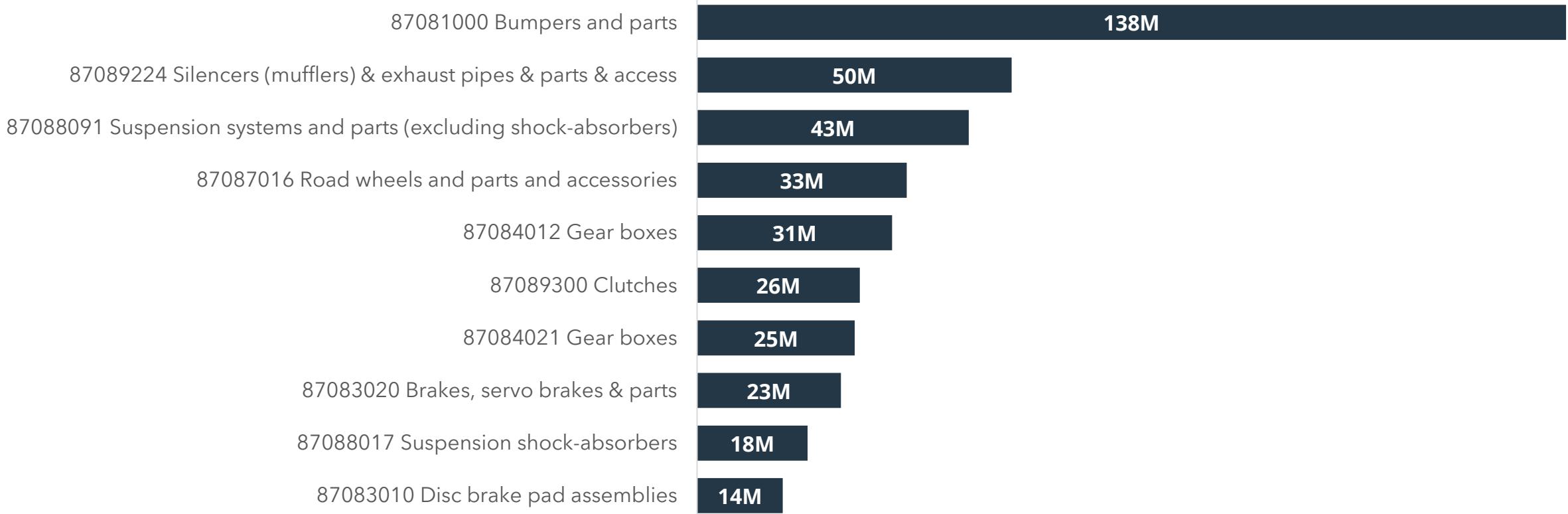
Value of Vehicle Parts and Accessories By Region



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

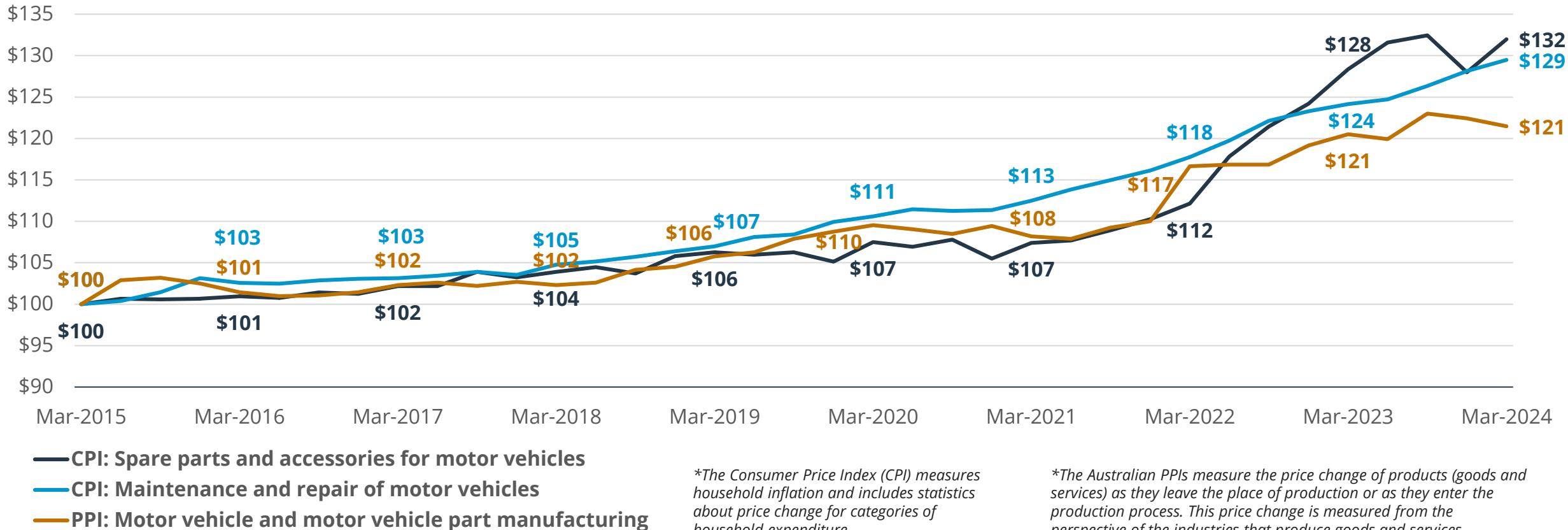
AHECC: 8 Digit Export Codes – 2023 Value of export parts for “tractors (excl. those used on railway platforms), motor vehicles for ten or more persons or trans of goods, cars, mobile drilling derricks, fire fighting, concrete & crane lorries”



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?



THANK YOU

For further information, please contact:

Lesley Yates
Director – Government Relations & Advocacy
E: advocacy@aaaa.com.au

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.**](#)

[**aaaa.com.au**](http://aaaa.com.au)



AUSTRALIAN AUTOMOTIVE
AFTERMARKET ASSOCIATION