

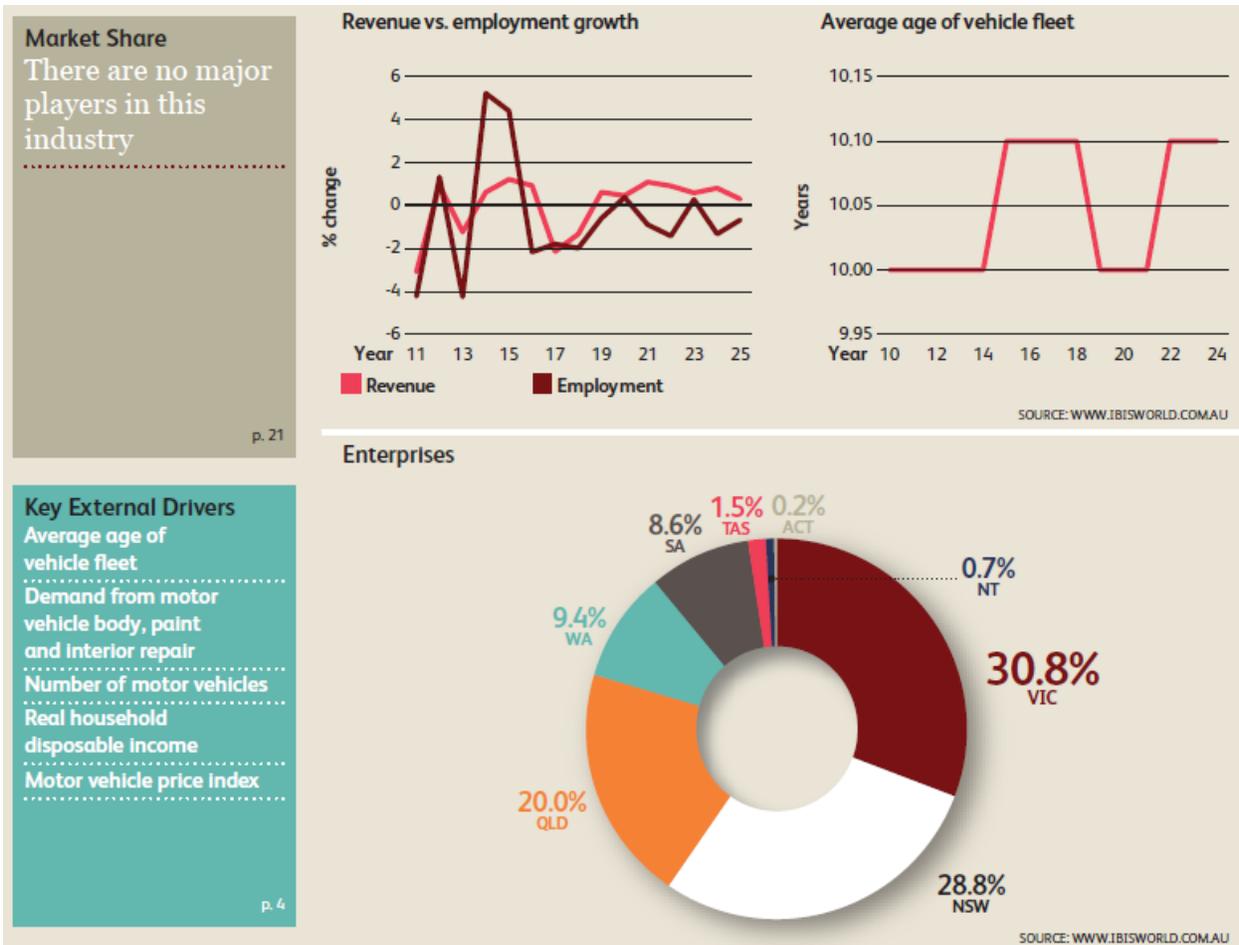
## 2018-19 Industry snapshot: Motor Vehicle Dismantling and Used Parts Wholesaling in Australia (Source: IBISworld)

### Industry Definition

Operators in the industry are primarily involved in dismantling motor vehicles or motorcycles and wholesaling the used parts obtained in the dismantling process. Industry operators commonly operate from fixed premises but may also wholesale used motor vehicle parts online. This industry snapshot does not include purely online wholesalers (Thomson, J. IBISworld, Nov 2018).

<b>Revenue:</b> \$995.7m	<b>Annual growth 2014-19:</b> -0.1%	<b>Predicted annual growth 2019-24:</b> 0.8%
<b>Profit:</b> \$53.8m	<b>Wages:</b> \$192.1m	<b>Businesses:</b> 1,213

(Thomson, J. IBISworld, Nov 2018)



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## Industry Summary

- Due to the relative young age of Australia's automotive fleet and the extended lifespan, reliability and performance of modern vehicles, demand for used parts has stalled somewhat.
- New safety technology that reduces the number of accidents has also reduced the likelihood of accidents which has weakened demand for smash repairers and used parts (also as a cheaper substitute for new parts).
- The increased affordability of motor vehicles, the reduced price of motor vehicles, increasing household incomes and a rising Australian dollar increases the likelihood of consumers purchasing new vehicles rather than repairing their existing vehicle or buying used vehicles. Consequently, there is reduced demand for used parts and increased vehicle disposal and recycling.
- As a result, industry revenue is forecast to decline over the five years through 2018-19 to reach \$995.7 million, at an annualised rate of 0.1%.
- Industry revenue is expected to reach \$1.0 billion in 2023-24 with an annualized growth of 0.8%.
- Due to a growing Australian car fleet, demand for motor vehicle dismantling and used parts wholesaling is projected not to be effected by increasing new car sales. This is partly due to increased dismantling activities.
- Competition within the sector will remain strong.

Source: Thomson, J (November 2018). IBISWorld industry report F3505: Motor Vehicle Dismantling and Used Parts Wholesaling in Australia.